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SERIALS DIVISION

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Nice, but Inadequate, French Say of Chirac

With More Than 5 Years Left in His Term, President and Nation Are Out of Touch

By John Vinocur
International Herald Tribune

PARIS — From about 3:30 to 4:30 P.M. one gray smudge of a day last week, President Jacques Chirac spent an attentive hour looking over shoulders at computer screens in a youth job-placement center in the Paris suburb of Boulogne-Billancourt.

Young men from l'Ecole Polytechnique, the engineering school that is one of France's educational glories, were helping the job-seekers search the electronic want ads, an elite-meets-the street juxtaposition seemingly extracted whole from a presidential photo-opportunity manual. Television boom microphones quivered, and Mr. Chirac, relaxed and ruddy, pronounced the occasion, as planned, the start of a "crusade" against youth unemployment.

But the event had a disconcerting coda. The president began talking about how it might be a good idea for young people to consider looking for jobs outside France. The French did not go out into the world enough, as the German and Italians did, he went on.

In the manner of a doctor acknowledging that not everyone in the ward would be better by Easter, Mr. Chirac said softly, "We're not going to find the 200,000 new jobs a year we need here for our young people." Within a few minutes, there were farewells and good-luck wishes, and the president was gone.

Honest, human, nice — but inadequate, the polls keep reporting. With more than five years to go in Mr. Chirac's seven-year term, the view seems to have become embedded in French public opinion that he is at best a middling president, a decent man who does not avoid bad news but has given only vague signs of being able to do anything about it. Criticized as a concerned yet ineffectual leader, Mr. Chirac may run the risk at this stage of his term of being

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Dmitri Sokolov/Agence France-Presse

TALKS ON NATO — President Boris Yeltsin of Russia and President Jacques Chirac of France during their meeting Sunday at Novo Ogarevo, near Moscow. Afterward, Mr. Chirac sounded hopeful that an accord with Russia on NATO enlargement could be struck before the alliance's summit meeting in July, when new members are expected to be named. Mr. Chirac, the first Western leader to see Mr. Yeltsin since he was hospitalized with pneumonia on Jan. 8, found the Kremlin chief to be alert and in good form. Page 5.

Europe and Japan Are Guaranteeing $5 Billion in Loans, Tehran Reports

Iran's Central Bank Chief Hails Cooperation From 'Partners,' Citing Failure of U.S. Sanctions

By Alan Friedman
International Herald Tribune

DAVOS, Switzerland — Despite U.S. anti-terrorism sanctions, Iran has managed to obtain offers of more than $5 billion in government-backed loan guarantees from Europe and Japan over the last 18 months, according to the governor of Tehran's central bank.

Mohsen Nourbakhch, Iran's central bank chief, said in an interview here that Tehran already had used $2.7 billion of credits, much of these since the middle of last year, to help finance some 50 projects.

The new credits, he said, were being used for projects in the energy, power generation, railroad and other infrastructure sectors.

"Despite all the pressures from U.S. sanctions, we have succeeded in reopening credit lines," he said. "There was some hesitation at first, but no more."

In addition, he said that the export loan guarantee agencies of Germany, Japan, Italy, France, Spain and other countries also had helped Tehran to reschedule a total of about $22 billion of debts. This has taken pressure off Iran, helping it to sharply reduce its loan repayment obligations in the short term.

"We have faced two major problems," Mr. Nourbakhch said, "and these were the composition of our external debt stock and getting fresh credit lines. We have succeeded in both, and all of this success was in a climate where all factors were against us."

He attributed the success to cooperation from "our European and Japanese partners, who are completely different in their attitude from the United States."

"Finally we are on the right track," Mr. Nourbakhch said. "With all the unemployment here in Europe," he added, "they need to do business with Iran, and we are ready to do business."

Mr. Nourbakhch was especially critical of the U.S. Iran-Libya Act, which was sponsored by Senator Alfonse D'Amato, Republican of New York, and signed into law by President Bill Clinton in August. But he said Tehran was nonetheless working hard to continue its program of economic reforms, to bring down inflation and to attract more foreign investment, especially for projects in the energy sector.

Washington's sanctions, which allow the U.S. to penalize foreign companies that invest more than $40 million each year in Iran's oil and gas industry, follow long-standing U.S. accusations of Tehran's support for international terrorism. The D'Amato legislation has been criticized in Europe as representing an attempt at extraterritorial U.S. legislation.

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Klaus Lauds Czech Success: Strong Growth, Plenty of Jobs

By Jonathan Gage
and Alan Friedman
International Herald Tribune

DAVOS, Switzerland — For seven years now, there has been no budget deficit in Vaclav Klaus's corner of Europe.

A restructuring of the Czech Republic's economy has kept labor costs low, and — far from bringing strikes, demonstrations and labor unrest — has ushered in strong economic growth.

The only thing keeping the economy from expanding even more rapidly than its recent 5 percent annual rate, in fact, is a lack of workers, Mr. Klaus, the Czech prime minister, said in an interview. Unemployment, he said, stands at a mere 3.2 percent.

Could this really be Europe in 1997?

It is indeed Europe, though not the Europe of the rich West, where more than 10 percent of workers cannot find a job as the Continent battles record unemployment. Rather, it is the Europe of the post-Communist Czech Republic and of Prague's four neighbors in the Central European Free Trade Agreement.

Economic growth in the group's members — which also include Hungary, Poland, Slovakia and Slovenia — could quite likely reach 5 percent this year, economists say.

"There is no economic law that says the faster you go in restructuring, the more unemployment you have," said Mr. Klaus, an economist and former finance minister. "On the contrary, the slower you go, the higher it is."

Mr. Klaus, at a gathering here of political and financial leaders, chastised Western Europe for its slowness in dismantling what he called the "over-regulated and over-paternalistic welfare state."

His bullish attitude on the Czech Republic's drive to create an entrepreneurial market economy was echoed here by other East European officials talking about their own countries.

Yet for all its credentials, the Czech Republic has far from the brightest prospects this year among countries in the region, many economists say. That hon-

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- President Emil Constantinescu outlines Romania's struggle. Page 11. • In Tuesday's IHT, President Aleksander Kwasniewski describes Poland's significant job growth.

Lake Lobbies the 'Inside Crowd' for CIA Job

By R. Jeffrey Smith
and Walter Pincus
Washington Post Service

WASHINGTON — Several dozen active and retired officers from the CIA's Africa division were surprised at a private luncheon three weeks ago when an uninvited guest appeared at the door: Anthony Lake, President Bill Clinton's nominee to be director of central intelligence.

A public official of renowned reserve — not widely regarded as the gate-crashing type — Mr. Lake promptly sat down and began telling them of his eagerness to start work at the agency. He planned, he said, to stay in the job for four years, effectively ending the rapid turnover that has brought the agency five directors in the past five years.

Mr. Lake's 30-minute sales pitch on various intelligence topics, including what he described as the need to strengthen the agency's Directorate of Operations, was yet another whistle-stop in the administration's carefully orchestrated campaign to transform potential skeptics around Washington into believers that Mr. Lake is the right man for the CIA.

The all-out lobbying effort reflects a well-founded White House anxiety that of all of Mr. Clinton's second-term nominees, Mr. Lake faces what could easily be the most grueling and contentious congressional review.

Unlike Madeleine Albright and William Cohen, who sailed through their hearings to take the top U.S. diplomatic and defense jobs, Mr. Lake is expected to bear the brunt of Republican complaints about the record and direction of Mr. Clinton's national security policy.

This was probably inevitable, given the key role Mr. Lake played in formulating the administration's policy toward Bosnia-Herzegovina — including the decision in 1995 to seal the peace accord and deploy U.S. troops there — and his strong hand in organizing the use of American troops to re-install President Jean-Bertrand Aristide of Haiti in 1994. Both policies attracted sharp Republican criticism.

Senator Richard Shelby, Republican of

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John Giles/Agence France-Presse

RECALLING 'BLOODY SUNDAY' — Victims' relatives marking the 25th anniversary Sunday in Londonderry, Northern Ireland. The IRA political leader, Gerry Adams, who attended the ceremony, denied a report he had sought the death of a political rival. Page 7.

Bulgarian Coalition Talks Rejected

SOFIA (Reuters) — A fresh offer by the governing Socialists for talks about a new coalition was rejected Sunday, and the party now appears ready to form an all-Socialist cabinet despite widespread opposition.

Both the main opposition Union of Democratic Forces and President Petar Stoyanov refused to join in talks unless the Socialists first gave back the mandate to form a new cabinet they received last week.

The leader of the Socialist Party, Georgi Parvanov, said that if his offer were rejected, the party would appoint a new cabinet Monday afternoon.

Pakistanis to Vote

Former Prime Minister Benazir Bhutto of Pakistan repeated her denials of graft in her dismissed government as campaigning ended for national and provincial elections Monday.

Speaking in the home turf of two of her chief rivals, she cited the lack of prosecutions of members of her government as exoneration. "They are admitting that there's no evidence of corruption." Page 4.

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Netanyahu Talks of New Start in Mideast

By Anne Swardson
Washington Post Service

DAVOS, Switzerland — Prime Minister Benjamin Netanyahu of Israel agreed Sunday to make his first official visit to Cairo in the spring and to meet later this week with Yasser Arafat, president of the Palestinian Authority, to discuss the Middle East peace process.

Both developments, agreed to here at the annual meeting of the world's most influential business leaders, were seen as a positive sign for the troubled Middle East region after violence last fall badly eroded Arab-Israeli relations.

The meetings between leaders Sunday produced no progress on another contentious issue — the restarting of talks between Israel and its Arab neighbors Syria and Lebanon. President Hosni Mubarak of Egypt, who has played a middleman role, said he could not pressure the two Arab states to begin negotiations or even push the Palestinians to cooperate more with Israel "when there is violence against the Palestinians." He said, "Our people are sympathetic when they see bad treatment of the Palestinians on CNN."

[Mr. Netanyahu said, however, that he was looking for a way to get President Hafez Assad of Syria to resume talks with Israel, The Associated Press reported.

["President Assad has said that peace is more important for Syria than it is for Israel," Mr. Netanyahu said. "I'm sure he will have the opportunity in the coming weeks to prove that that is the case." If Mr. Assad wants to resume talks, "we'll find a formula."]

In addition, Mr. Netanyahu began a new push for economic cooperation between Israel, on the one hand, and the Palestinian Authority, Egypt and Jordan, on the other. This appeared designed to offset troubles in the peace process by offers of help in reaching prosperity.

"I think this reflects maybe a new attitude and a new beginning," Mr. Netanyahu said after separate meetings Sunday with Mr. Arafat and Mr. Mubarak. He said he hoped that the "economic side of the peace process can be

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China and U.S. Forge Textiles Accord

Compiled by Our Staff From Dispatches

BEIJING — China and the United States reached a trade agreement Sunday that could result in a doubling of American textile exports to China, U.S. officials said.

The successful conclusion of what both sides had described as very difficult talks reflects a surge in goodwill between the two countries after almost two years of tensions.

"I'm very happy," said Foreign Trade Minister Wu Yi of China, adding, "After six days of hard work, the delegations have reached a rather ideal conclusion."

"This is the first negotiation between China and the United States not conducted in the shadow of the threat of sanctions," she said. "I hope future negotiations will all be like this."

Li Dongsheng, a director-general at the Foreign Trade Ministry, said the textile pact would "create a favorable environment" for further development of trade between the two sides.

The lead U.S. negotiator, Ambassador Rita Hayes, said the accord had established a "level playing field" for the textile trade.

"This is probably the most important trade agreement China has with the U.S.," she said. "For the first time ever in textile talks, China and the United States have worked out all of their differences."

"We wouldn't have this agreement if it hadn't been for the mutual understanding and trust that prevailed," the chief textile negotiator for the U.S. Trade Representative's Office continued.

"This is a solid agreement that meets our critical objectives," said the U.S. trade representative-designate, Charlene Barshefsky, in Washington.

Officials for both sides declined to give details of the accord, but Ms. Hayes said it would create jobs in the United States by increasing American exports while slightly raising the U.S. import quota for Chinese goods.

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Euro: Votes Are In?

Bankers and investors are weighing in on the future of the single European currency before it is launched, as German bankers predicted turmoil in world financial markets if Italy and Spain joined in the first round. The European central bank, meanwhile, is expected to steer a moderate and independent course, and investors are embracing euro-denominated bonds. Business and Finance, Pages 11, 12, 16.

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,800 CFA	Qatar	10.00 Rials
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Australia's Weird Fauna Find Fame Off Beaten Olympic Track

By Clyde H. Farnsworth
New York Times Service

SYDNEY — Two seldom-seen mammals and a bird of the bush that Australians endearingly refer to as the Laughing Jackass, or Jackie, are off to the next Olympics as official mascots.

If the echidna, platypus and kookaburra are less familiar than, say, the kangaroo or koala, that's all right with the Sydney 2000 Olympic Games Organizing Committee.

"Australians very quickly would have found the kangaroo a big yawn," said John Moore, the committee's marketing director, "and a koala is a koala is a koala." The echidna and the platypus are the only two egg-laying mammals in the world. The echidna, or spiny anteater, lives anywhere from the desert to the rainforest. It is covered with quills and catches ants and other insects in the sticky saliva of its tongue.

The platypus, inhabiting the waterways of eastern Australia, has a duck-like bill, webbed feet and flattened tail. It eats aquatic food that it stores in cheek pouches.

The kookaburra, the largest member of the kingfisher family, is known for its loud cackle that has been written into a popular children's song that goes, in part, "Laugh, kookaburra, laugh." It also kills snakes, nearly all of which are poisonous in Australia.



This is the echidna, also called a spiny anteater. A cartoon version of the echidna, named Millie, will be one of three mascots for the 2000 Summer Games in Sydney.

Unveiled here as cartoon characters, the echidna Millie (short for millennium, the platypus Syd (for Sydney) and the kookaburra Olly (for Olympics) have a mission to raise at least $150 million through the sale of films, books, T-shirts, socks, beach towels, caps, cups, plates, bibs and pens.

Precisely because they are so obscure, the mascots are intended to get people thinking more about the wonders of this island continent.

"Instead of a quick yawn," Mr. Moore said, "we wanted to create some real interest and curiosity."

But abroad, initial curiosity turned to confusion. The Daily Telegraph of Sydney reported that people on the streets of Los Angeles, having been shown pictures of the three mascots, mistook the platypus for a baby alligator, the echidna for a porcupine and the kookaburra for a chicken.

One marketing specialist, Michael Kiely, managing director of Boomerang Integrated Marketing & Advertising of Sydney, found the cartoon caricatures

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The Albanian Pyramid / **Shattered Dreams**

'The Sea Will Dry Up Before I'm Out of Money'

By Celestine Bohlen
New York Times Service

FUSHE-KRUJA, Albania — Life was hard enough for Shpresa Rinxhi before she and her husband scraped together $500 and put it into one of the most dizzying of Albania's dream machines, a supposed "charity foundation" that was promising a quick 300 percent return on their money.

With their three children, the Rinxhis (pronounced REEN-jee) live in one room in a former workers' hostel, cooking their dinners on a stove in the corridor, sharing a bathroom with eight other families.

On his $60 a month salary from a state-owned cement plant, and the $2 a day she earns at their fruit and vegetable stand, the couple saw the promise of a fund called Xhaferri (pronounced jah-FEH-ree) as their only chance for a better life, and so like hundreds of thousands of other Albanians, they chose to believe.

If they had any doubts, they were washed away by the arrival here last November of Rrapush Xhaferri himself, a former army officer who had paraded his wealth by sponsoring a Miss Albania contest and hiring a highly paid Brazilian for his local soccer team.

"He told us, 'Don't be afraid. The water in the sea will dry up before I run out of money,'" recalled Edward Prushi, 32, an unemployed gym teacher who entrusted Mr. Xhaferri with the $1,000 he had saved during a stint as a construction worker in Greece, only to see it disappear into the sink-hole of a classic pyramid scheme.

Now Albania, the poorest country in Europe, which six years ago emerged from the almost total isolation imposed by a harsh Communist regime, is sorting out the devastating consequences of the latest series of flimflam schemes to hit Eastern Europe in the post-Communist era.

Other countries new to the wilds of free markets — Romania, Russia and Bulgaria, among others — have seen similar schemes preying on peoples' gullibility, ignorance and desperation, leaving them easily dazzled by the novel dream of getting rich.

But the pyramid schemes in Albania — there were at least 10 different ones by some accounts, the largest of which remain nominally in operation — lasted longer than anywhere else, in some cases for two years.

By most estimates, the amount taken in from Albanians by various pyramid schemes was almost $1 billion, roughly three times the size of the national budget deficit. The investment schemes have touched almost every Albanian family.

The prolonged success of the funds, and their ability in the short term to deliver on the most fantastic of promises, was what led even cautious Albanians to take a risk.

"The only people who did not lose money were those who couldn't put their hands on any," said Mr. Prushi. "There were people who sold their houses, others sold their cows, and now their children don't even have milk."

"We are in a terrible situation," said Mrs. Rinxhi, her eyes filling with tears, reaching for the cigarettes she started smoking again when the crisis began. "It can't be worse."

Today Mr. Xhaferri is in jail, his fund seized by the government, and Marta, the woman who ran the local Xhaferri office, collecting wads of leks — the Albanian currency — from people who spent hours waiting in line, has disappeared. And the people of Fushe-Kruja, a shabby, dusty town of 25,000 people, responded last weekend by joining the rest of the country in street demonstrations that in some places have turned into near-riots.

THROWN on the defensive, the center-right government of President Sali Berisha has promised to restore at least some of the missing money to the people on Nov. 5, to be distributed through savings accounts and options to bid on state property. The government has also lashed out at its already enfeebled opposition and has blamed opponents for fomenting the violence last weekend.

Fushe-Kruja, like many small towns in this nation of 3.5 million, was a relative late-comer to the national craze, which by October of last year had reached frenzied levels. By then, funds like Xhaferri, one of two now frozen by the state, were stepping up efforts to collect more money, opening new offices, promising ever higher rates of return over ever shorter periods of time — all signs that the bubble was about to burst.

But when Mr. Xhaferri came here, nobody really wanted to ask him hard questions, such as how he could promise to triple their money in three months in a country with meager investments and 20 percent unemployment. "We didn't ask anything about him," Mr. Prushi said. "People were getting their money, and that was enough for us."

But the longevity of the schemes is also seen as evidence that the Albanian government tolerated, perhaps even encouraged the funds, despite repeated warnings from inside and outside the country, from the governor of the central bank to the International Monetary Fund.

Mr. Berisha, at a news conference last week, denied any government involvement, and wrote off Albania's early laissez-faire approach as a sign of its commitment to free-market capitalism.

"In a free and democratic society," said the president, "borrowing is one of the inalienable rights of human beings. The government will never dictate when to lend, when to borrow."

Whether the government was complicit in the schemes is unclear, but it is certain that Mr. Berisha's center-right Democratic Party — with the endorsements of some of the biggest funds — won national elections last May in a vote that observers said was tainted by ballot-rigging and intimidation, and local elections in October.

"Vote Democratic Party and everyone wins," was one slogan that implicitly linked the party with the survival of the investment schemes.

BY OCTOBER, a year after the IMF first registered its concern about Albania's free-wheeling "informal market," the warnings had become increasingly urgent. According to Western financial experts, the IMF, at its annual meeting in Washington, was urging the Albanian government to take immediate action.

Shortly afterward, Finance Minister Ridvan Bode went on the government-run television network to warn people that the government might have to investigate the funds. But his warning was drowned out by assurances — also broadcast on Albania's tightly controlled official networks — by some of the top fund managers that there was nothing to worry about.

As the schemes grew bigger and bigger, their effect on the economy became more and more dangerous. Not only were people investing the little money they had, but many began to live off the interest payments that they continued to get until as recently as November.

The government's paralysis was obvious to all. "You don't stop pyramid schemes and put hungry people on the streets a month before elections," a Western diplomat said.

The first sign of collapse came in November, when a fund run by a 30-year-old former shoe factory worker, a woman widely known as Sude the Gypsy, stopped making payments.

On Nov. 26, the manager of a smaller fund vanished with $13 million. By mid-January, Sude the Gypsy had declared bankruptcy, triggering the first street demonstrations. On Jan. 26, the state seized the $255 million held in state banks by Xhaferri and another fund, known as Populli, just two weeks before most families in Fushe-Kruja were due to get their money back, including profits.

But the unanswered question is what will happen next, particularly with some of the larger investment funds, which many believe the government could bail out at some cost to the economy.

"There are other schemes out there that are not solvent, and that is a major concern," said a Western financial expert. "The government faces a very, very difficult problem in trying to minimize the damage."



The New York Times

For the Kadiu family in Fushe-Kruja, like many others in villages and cities across Albania, the pyramid scheme has cost them their savings.

Cyprus Tells U.S. It Will Delay Arms

Washington Post Service

WASHINGTON — The president of Cyprus has given the United States a commitment that no Greek warplanes will be deployed to an air base under construction on the island at least through the end of his term, 13 months from now, according to U.S. officials.

President Glavkos Klerides made the promise to a U.S. diplomat, Carey Cavanaugh, when Mr. Cavanaugh visited the island recently on a mission to defuse the latest flare-up of tensions between Greece and Turkey, American officials said.

The unannounced promise not to receive Greek F-16s, coupled with Mr. Klerides's public pledge to wait 16 months before getting any components of the Russian surface-to-air missiles that Cyprus plans to buy, was designed to give U.S. and European diplomats time to seek a solution to the long-stalemated issue of Cyprus's division, U.S. and European sources said.

Sources at the Cypriot Embassy in Washington said they would neither confirm nor dispute the report.

Cyprus has been divided along a tense cease-fire line since 1974, when Turkish troops landed in response to a pro-Greek coup. Turkey, which has more than 30,000 troops on Cyprus, controls the northern third of the island and recognizes it as a sovereign country. All other nations recognize the Greek-dominated government.

With Greek-Turkish tensions over Cyprus and other issues threatening to erupt into armed conflict and stymie plans for the expansion of NATO this summer, President Bill Clinton's administration is considering an all-out effort this year to break the Cyprus deadlock.

In her first week as secretary of state, Madeleine Albright said several times that the United States was prepared to take on what she called "a heightened role" in breaking the stalemate, but she has given no indication of how she plans to go about it. That is because she and her aides have not figured out how to proceed, a State Department official said.

"There is a demand and a justification for making the effort," he said. "The international community needs a resolution of this issue, so the question is not whether we should, but how. We face the unwillingness of key parties to make any kind of compromise to reduce tension."

TRAVEL UPDATE

Eurostar Journey Times Shortened

LONDON (AFP) — A number of Eurostar train journey times, which were extended because of a fire in the Channel Tunnel in November, returned to normal Sunday, a spokesman for Eurostar said.

Two Paris-London services are restored to the usual three-hour time, having been making the trip in about three and a half hours since the fire. Six other trains from Paris will now take three hours and 10 minutes or less to make the journey to Waterloo station.

Eurostar also said that two weekday Brussels-London trains would be running faster. But the spokesman said it had not yet been possible to speed up trains from London to Paris.

U.S. Warns Against Algeria Travel

WASHINGTON (AP) — The State Department warned Americans against going to Algeria and urged those who insist on staying there to hire armed bodyguards and avoid travel on regularly scheduled commercial transport.

In a travel advisory issued Friday, the department said the U.S. Embassy in Algiers "specifically identifies ports and airline terminals as terrorist targets."

Italian rail workers have postponed two one-day strikes to conform with notice requirements under Italian law. The strikes will take place Feb. 11 and 19. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Mozambique.
TUESDAY: Angola, China, Sri Lanka.
WEDNESDAY: Burundi, China, Mexico, San Marino, Taiwan.
THURSDAY: China, Hong Kong, Macau, Malaysia, New Zealand, Switzerland, Taiwan.
FRIDAY: China, Grenada, Hong Kong, South Korea, Macau, Malaysia, Mauritius, Mongolia, Singapore, Taiwan.
SATURDAY: Bhutan, Brunei, China, Hong Kong, Iraq, Korea, Macau, Mongolia, Singapore, Slovenia, Taiwan.

Sources: J.P. Morgan, Reuters, Bloomberg.

Rising Algeria Violence May Force West to Take Notice

By Roger Cohen
New York Times Service

NEWS ANALYSIS

PARIS — January was the cruelest month in Algeria.

It was cruel in its violence, including a car-bombing that killed 42 people in central Algiers; cruel in the cynicism of the assassination of Abdelhaq Benhamouda, an influential union leader who had wanted to forge a new political party; and cruel above all for the promise of yet more killing in a ranting speech by the president in which he blamed foreign plots for all of Algeria's woes and vowed to "eradicate" the terrorists.

The Algerian civil war, which pits a ruthless military-backed government against often barbaric Islamic guerrillas, is five years old. It has become part of the background noise of world affairs, rumbling on like Kurdish clashes but rarely registering on the world's consciousness — that is, its television screens.

The conflict began when an election that was on the verge of bringing political Islam to power was canceled by the military in January 1992; it has rendered Algerian democracy — and hopes that a stable political center could form — stillborn.

Hocine Ait Ahmed, an opposition leader, recently spoke of a "Berlin Wall" to evoke the way the Algerian dreams of the 1980s for democracy have languished amid general indifference.

That wall has been composed of many elements: the secrecy of Algeria's rulers, known simply as *le Pouvoir* or the Power; the intractability of a murky conflict; Western diplomatic inertia in a country where the choices appear particularly delicate; and Algeria's oil and natural gas, which have kept flowing to U.S. and European companies.

But as the recent violence suggests, the Algerian problem is festering to the point where it may prove more difficult to ignore. Its threat is clear: spreading Islamic militancy, a spillover of terrorism, a flood of refugees and the disruption of those oil and gas supplies.

If this is a moment of crisis, however, it may also be a moment when the West, whose options seem otherwise limited, could put some pressure on Algeria's leaders to restore a hope of democracy.

In the next few months, the country is supposed to hold its first parliamentary elections since the cancellation of the 1992 poll that the Islamic Salvation Front was poised to win. The Front had brandished such slogans as "Islam is the solution" to protest the corruption and economic mismanagement of Algeria's military-dominated regime. When the election was canceled, the party split into armed factions pursuing insurrection and a more moderate wing.

How — and indeed whether — the new elections are held will test Algeria's direction and the West's readiness to encourage a democratic solution there.

Breaking a long and increasingly eerie silence, French politicians of the left and right recently called for France to do something about its former possession.

Lionel Jospin, the Socialist leader, said France could no longer provide "blind support" to President Liamine Zeroual's government, and former President Valery Giscard d'Estaing of France said the Islamic Salvation Front, now banned, should be allowed to take part in the election.

The United States has maintained a determinedly low profile on Algeria since the war began.

But tension between Washington and Paris over Algeria has been easing. French feelings that President Bill Clinton's administration had been too conciliatory toward the Islamic Salvation Front have changed since the arrest late last year in the United States of Anwar Haddam, a prominent member of the Front.

A joint French-U.S. initiative thus is technically possible, combining French economic leverage over Mr. Zeroual — France grants more than $1 billion annually to Algeria in subsidized loans — with the Clinton administration's greater access to the Islamic Salvation Front.

Opening the way for meaningful elections might entail a call on Mr. Zeroual to approach all parties, including the Front, to hammer out certain principles: the rejection of violence, respect for human rights, the elimination of torture, a commitment to the alternation of power through universal suffrage, a free press and respect for Algeria's Arab and Berber culture.

Aid from the European Union, debt relief, World Bank loans and the like could all be used as carrots and sticks.

But huge difficulties remain, all of them illustrated by the events of the last month. Mr. Zeroual's speech Jan. 24 — in which he raged against "criminals, traitors and mercenaries manipulated by external circles" — was a textbook study in the closed mentality of Algeria's rulers.

In the speech, Mr. Zeroual ominously neglected to set a date for the new elections.

The murder last week of Abdelhaq Benhamouda, 55, was equally ominous. A prominent union leader and a determined opponent of Islamic fundamentalism, Mr. Benhamouda had been preparing to form a centrist political party.

His last words to a friend, as reported in Algiers, were, "Kamel, my friend, they have betrayed us." One problem in Algeria is always to know who is killing whom.

These words — and the efficiency of his killing in central Algiers — were widely seen as suggesting that the murder had been the work of rival clans within le Pouvoir, rather than of Islamic guerrillas.

Finally, the barbarity of the car-bombings, throat-slittings and other killings that have swept Algiers and towns nearby since the Muslim holy month of Ramadan started Jan. 10 have illustrated, once again, the methods of the violent factions that have splintered from the Islamic Salvation Front.

It is unclear to what extent the Front itself — its leaders dead, arrested or abroad — is still a coherent political force.

Still, the frustrated, largely silenced democratic yearnings of a broad Algerian center that demonstrated in the streets in the late 1980s exist and could be buttressed by Western diplomacy.

Even today, it appears, as Mr. Jospin said, that "Democracy, in the end, is the only road to peace."

31 Villagers Are Massacred In New Attack, Paper Says

The Associated Press

ALGIERS — A band of men armed with knives and axes killed 31 people in the town of Medea, south of the capital, the newspaper El Watan reported Sunday.

About 50 men led the attack just after midnight Friday, invading a neighborhood in Medea and forcing residents into the street where they were killed, the paper quoted residents as saying.

"You have to do something," El Watan quoted a resident who contacted the paper as saying. "More than 30 people had their throats slit. Soon they're going to exterminate the entire town."

The French-language daily said that 31 bodies were taken to the morgue at Medea Hospital.

The paper's account was not confirmed by Algerian officials. If true, it would be the latest in a wave of car bombings and massacres that intensified with the start of the Muslim holy month of Ramadan on Jan. 10.

About 310 people are known to have been killed in attacks since the start of Ramadan, and 600 have been wounded. There was no immediate claim of responsibility for the massacre, but suspicion fell on Muslim fundamentalist rebels fighting the regime.

Medea is 25 kilometers (15 miles) south of Blida, a town that has been a center for violence attributed to Muslim insurgents.

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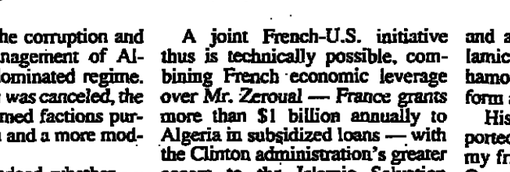
Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	18/64	9/48 pc	17/62	8/46 s
Amsterdam	4/39	3/37 pc	7/44	6/43 r
Ankara	-6/22	-1/30 pc	-3/27	-13/11 pc
Athens	4/39	-2/28 pc	6/43	1/34 pc
Barcelona	9/48	4/39 sh	11/52	7/44 pc
Belgrade	-2/28	-7/20 pc	2/35	-2/28 pc
Berlin	2/35	-1/31 c	3/37	3/37 sn
Brussels	4/39	3/37 pc	8/46	6/43 c
Budapest	-2/28	-7/20 pc	-2/28	-3/28 pc
Copenhagen	3/37	-1/31 pc	3/37	3/37 sn
Costa Del Sol	18/64	8/46 c	17/62	8/46 pc
Dublin	8/46	8/46 r	11/52	9/48 r
Edinburgh	7/44	7/44 r	8/46	1/34 sh
Florence	7/44	1/34 pc	8/46	3/37 pc
Frankfurt	0/32	-3/27 c	2/35	1/34 sn
Geneva	3/37	-1/31 c	4/39	3/35 sh
Helsinki	-1/31	-6/22 c	0/32	-3/27 sn
Istanbul	1/34	-3/27 c	2/35	-1/31 pc
Las Palmas	19/66	17/62 t	22/71	16/61 pc
Lisbon	18/59	7/44 pc	14/57	8/46 s
London	6/43	5/43 c	9/48	6/46 sh
Madrid	13/55	2/35 pc	13/55	4/39 pc
Mallorca	8/46	6/43 sh	9/48	7/44 pc
Milan	2/35	-2/28 sn	5/41	2/35 c
Moscow	-7/20	-9/16 pc	-3/27	-8/18 sn
Munich	0/32	-6/22 sn	2/35	0/32 sn
Nice	11/52	5/41 sh	12/53	8/46 c
Oslo	0/32	-2/28 sn	2/35	-3/27 sn
Paris	3/37	1/34 c	7/44	4/39 pc
Prague	1/34	-4/25 pc	2/35	1/34 sn
Reykjavik	-4/25	-11/13 pc	-7/20	-11/13 sf
Rome	10/50	2/35 pc	11/52	3/37 pc
St. Petersburg	-1/31	-5/22 pc	-1/31	-3/27 c
Stockholm	1/34	-3/27 pc	2/35	0/32 sn
Strasbourg	3/37	1/34 c	5/41	3/37 sh
Tallinn	-2/28	-5/24 c	1/34	-2/28 sn
Venice	3/37	-2/28 c	6/43	3/37 pc
Vienna	2/35	-3/27 c	0/37	2/35 c
Warsaw	0/32	-5/22 pc	1/34	1/34 c
Zurich	1/34	-2/28 sf	3/37	1/34 sh

Middle East

Abu Dhabi	24/75	18/61 s	27/80	18/61 s
Beirut	13/55	3/37 r	7/44	1/34 pc
Cairo	16/61	4/39 s	13/55	3/37 pc
Damascus	8/46	-2/28 pc	6/43	-6/22 pc
Jerusalem	9/46	-2/28 pc	6/41	-4/25 pc
Luxor	21/70	8/46 s	21/70	1/34 s
Riyadh	24/75	12/53 s	27/80	10/50 s

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
A storm will deliver snow and rain to Chicago and Detroit Tuesday into early Wednesday, and to New York City and Boston Wednesday into early Thursday. That same storm could bring heavy snow to Toronto Wednesday and rainy weather to Washington, D.C., Wednesday as well.

Europe
Mild in London Tuesday through Thursday, but there will be episodes of windy weather along with a few showers. Windy and mild in Copenhagen, but also times of rain. Sunshine most of the time in Madrid. Partly sunny in Rome Tuesday, then mostly sunny Wednesday and Thursday.

Asia
Cool in Hong Kong Tuesday through Thursday with rain from time to time. Typically warm and humid in Singapore those three days, but it might thunderstorm as well. Partly sunny in Tokyo Tuesday, then it might rain late Wednesday into early Thursday. Chance of snow in Seoul Wednesday.

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	0/37	-2/28 sn	4/39	-1/31 sn
Atlanta	19/66	9/48 sh	18/64	8/46 t
Boston	7/44	-2/28 sh	4/39	-2/28 po
Chicago	2/35	-4/25 c	1/34	-3/27 sn
Dallas	20/68	9/48 c	18/61	5/41 pc
Denver	7/44	-3/27 pc	8/43	-4/18 pc
Detroit	3/37	-4/25 pc	2/35	-3/29 sn
Honolulu	28/82	19/66 s	28/82	19/66 pc
Houston	24/76	17/62 t	23/73	9/48 c
Los Angeles	20/68	10/50 s	21/70	7/44 pc
Miami	29/79	16/64 s	27/80	18/64 pc
Minneapolis	-0/27	-9/15 sn	-2/28	-9/16 sn
Montreal	+1/31	+12/11 c	-3/29	+12/11 po
Nassau	24/75	17/62 s	28/78	18/64 po
New York	7/44	0/32 sh	6/43	1/34 po
Orlando	26/79	14/57 po	28/78	14/57 po
Phoenix	22/71	9/48 s	22/71	9/48 s
San Fran.	14/57	7/44 pc	14/57	6/43 pc
Seattle	9/48	1/34 pc	9/48	1/34 pc
Toronto	1/34	-9/16 po	2/35	-5/22 po
Vancouver	8/46	+1/31 pc	7/44	+1/31 pc
Washington	11/52	3/37 c	11/52	3/37 c

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	33/91	24/75 pc	32/89	23/73 t
Bangkok	33/91	24/75 pc	31/88	24/75 pc
Beijing	4/39	-2/28 c	3/37	-2/28 sn
Bombay	27/80	14/57 s	29/84	15/59 s
Calcutta	26/78	14/57 pc	23/73	14/57 pc
Chiang Mai	34/93	22/71 pc	31/88	22/71 pc
Colombo	30/86	21/70 s	29/84	22/71 pc
Hanoi	22/71	13/55 r	21/70	17/62 r
Ho Chi Minh	33/91	24/75 t	33/89	24/75 t
Hong Kong	18/66	17/62 r	19/66	17/62 r
Islamabad	17/62	3/37 pc	17/62	2/35 pc
Jakarta	30/86	24/75 t	30/86	24/75 pc
Karachi	24/75	9/48 s	28/82	10/50 s
K. Lumpur	32/89	23/73 t	32/89	23/73 t
K. Kinabalu	28/82	23/73 pc	29/84	23/73 pc
Manila	30/86	23/73 pc	30/86	20/68 pc
New Delhi	23/73	4/39 s	23/73	5/41 s
Phnom Penh	32/89	24/75 c	31/88	23/73 c
Phuket	33/91	24/75 pc	31/88	24/75 pc
Pyongyang	32/89	24/75 pc	31/88	24/75 pc
Seoul	-1/31	-11/13 s	2/35	-9/22 pc
Shanghai	7/44	-1/31 pc	5/41	4/39 sn
Singapore	29/84	24/75 pc	29/84	24/75 pc
Taipei	17/62	15/59 r	19/66	18/64 r
Tokyo	11/52	-3/27 r	5/41	-4/25 s
Vientiane	29/88	13/66 r	29/88	18/64 r

Africa

Algiers	14/57	8/46 c	16/61	4/39 pc
Cape Town	27/80	18/64 pc	24/75	14/57 pc
Casablanca	21/70	13/55 c	17/62	10/50 t
Harare	29/84	7/44 s	30/86	7/44 s
Lagos	30/86	22/71 s	30/86	22/71 s
Nairobi	30/86	12/53 pc	31/88	12/53 pc
Tunis	12/53	9/48 sh	11/52	6/43 r

Latin America

Buenos Aires	32/89	21/70 s	30/86	18/64 t
Caracas	30/86	23/73 pc	29/84	23/73 pc
Lima	26/82	20/68 pc	23/73	21/70 pc
Mexico City	23/73	9/48 pc	21/70	7/44 pc
Rio de Janeiro	34/93	23/73 pc	33/91	23/73 t
Santiago	29/73	12/53 pc	21/70	8/46 sh

Oceania

Auckland	22/71	17/62 pc	22/71	15/59 c
Sydney	23/73	14/57 s	23/73	18/61 s

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THE AMERICAS

Fines From Convictions Bring Solace to Crime Victims

By Sharon Walsh
Washington Post Service

WASHINGTON — In Oklahoma City, the survivors and 1,200 family members of the victims of the bombing of the Alfred P. Murrah Federal Building are kept posted on the progress of the criminal case and provided with counseling.

In Alexandria, Virginia, a 23-year-old deaf woman is accompanied by an interpreter for her interviews with prosecutors after she was abducted by a man.

In California, a man whose son was murdered by a gang member and the grandfather of the killer join together to teach school children about the dangers of gangs and to help victims of gang crimes.

What makes these activities remarkable is the way they are financed. The money comes from individuals and huge corporations convicted of federal crimes — not from taxpayers.

When the U.S. office of Daiwa Bank, a Japanese financial giant, paid a $340 million criminal fine for failing to tell banking regulators about major bond-trading losses, the money went to the U.S. Treasury and was deposited into the Crime Victims Fund, which was authorized by the Victims of Crime Act of 1984.

The fund is overseen by Aileen Adams of the Justice Department, who doles out the money to states. State officials are responsible for finding victims and easing their pain with financial help — about 2 million people benefit from the fund each year, Ms. Adams said.

The fund has grown by 250 percent over the past four years, reaching its highest level in 1996, $528.9 million, which will be distributed this year. That amount does not include two recent penalties for criminal price-fixing that will enrich the fund this year — a $100 million fine paid by Archer Daniels Midland, an agricultural firm, and a $50 million fine to be paid by Haarmann & Reimer, a citric-acid maker.

In addition to fines for corporate crimes, the fund receives money from penalties and bond forfeitures from individuals who are convicted of federal crimes.

Thanks to Daiwa, "we'll get three times as much money this year" as last year, said Virginia Coscia, the victim-witness program coordinator in Alexandria. "If big companies keep paying these huge fines, we won't have to worry about our funding."

Ms. Coscia said she had just returned from federal court in Alexandria, where she accompanied the 23-year-old deaf woman to the trial of her accused abductor. He was convicted of "abduction with intent to defile" and could now be sentenced to 20 years to life imprisonment. If the young woman had required medical treatment or counseling or if she could not work because of injuries from the crime, the fund also could pay those costs.

The fund is administered by the Justice Department's Office for Victims of Crime. Under the Anti-Terrorism Act of 1996, the fund also provides money to help victims of mass crimes and terrorism, such as the Oklahoma City bombing.

"I think I have the best job in all of government," said Ms. Adams, director of the Office for Victims of Crime and once a legal counsel to the Los Angeles County Rape Treatment Center. Though states hand out the money, she and her employees visit sites, coordinate with state directors and help set priorities for the money.

This year, because outlays by the fund will be so much larger than in the past, mostly because of the Daiwa fine, Ms. Adams has met often with state officials. The priorities set by the Clinton administration are to provide money to people in rural areas where there are few services for crime victims, to American Indians and to victims of gang violence.

"The fund serves about 2 million crime victims a year, but there are still millions who don't receive help because there are no services where they are," Ms. Adams said.

In San Diego recently, Ms. Adams introduced Attorney General Janet Reno to two men who have applied for a grant from the fund. Axim Khamisa's young son was murdered two years ago while delivering a pizza. Ples Felix is the grandfather of the 14-year-old gang member who was convicted of killing the boy.

"They feel they're victims of a crime from different sides of the gun," Ms. Adams said.

The two formed a gang prevention program and have applied for a grant for the portion of their work that deals with victims of gang violence.

Once funds from the office reach the state level, they are split between two programs. One, victim compensation, is to pay individual victims of crime or their families for unreimbursed medical expenses, lost wages or funeral expenses.

The second program, called victim assistance, helps people through grants to domestic violence shelters, rape crisis centers, child abuse programs and other community programs. The project receives by far the bulk of the funds from the states.

Although it has been nearly two years since the Oklahoma City bombing, programs for its victims and survivors will receive more than $600,000 from the fund this year. Much of the money will be used to help those who wish to attend the trial of Timothy McVeigh, scheduled to begin March 31. Mr. McVeigh is charged with carrying out the bombing, which left 168 dead.

"It's been very moving to interact with the victims of Oklahoma City and see how important it is for them to attend the trial," Ms. Adams said.

POLITICAL NOTES

White House Didn't Vet Donors

WASHINGTON — The White House has acknowledged that it had never reviewed the backgrounds of any of the hundreds of visitors who saw President Bill Clinton in scores of intimate White House meetings arranged by the Democratic National Committee.

In place of background checks, which are routinely done on other guests to the White House, an administration official said that it had simply taken the guests on lists proposed by the Democratic committee and put them on Mr. Clinton's schedule. The committee never performed any review of the people coming to see Mr. Clinton, merely supplying the Social Security numbers and birth dates of the guests to the White House. That information was used by the Secret Service guards only to verify that the guest at the executive mansion's gate was the same as the guest on the list.

The acknowledgment by the White House that the background checks were not done came Saturday after a news report that a felon with possible ties to organized crime had attended a Democratic coffee at the White House in December 1995, a few months after his second conviction. The felon joins a list of other questionable figures who were guests at the White House in meetings that were often part of an effort to reward donors.

"No vetting was ever done for these events, other than asking for Social Security numbers or dates of birth in order," said Lanny Davis, a White House special counsel. Such information is usually used by the Secret Service to search records to see if a visitor poses a security risk. But for reasons that are not known, no such checks were done on these guests. *(NYT)*

Welfare Rolls Keep Shrinking

WASHINGTON — The steep decline in welfare caseloads that began nearly three years ago has accelerated in recent months, offering states a larger-than-expected financial windfall and a head start in carrying out the newly restrictive U.S. welfare law.

The unprecedented exodus from the rolls follows a period of similarly explosive growth. After reaching a record high in March 1994, caseloads have dropped 18 percent nationwide, and they have dropped in every state but Hawaii.

The declines have reached some of the nation's largest cities, where concentrations of poor and single-parent families have historically made the rolls hard to reduce.

In the past year alone, the number of people on welfare has dropped 19 percent in Milwaukee, 17 percent in Houston, 11 percent in Detroit and 9 percent in New York City.

Much of the decline seems driven by the economic expansion. But some of it also seems to stem from the aggressive efforts many states have made in the past few years to place welfare recipients in jobs. *(NYT)*

Quote / Unquote

Mario Cuomo, former governor of New York, on Bill Clinton's State of the Union Message on Tuesday: "I would like to see President Clinton, sometime before he's through these four years, demonstrate all his gifts to the maximum. That would require him to throw off any inhibition about saying too much or inhibition about getting into political trouble. I'd love to hear him announcing, 'I'll never run again for public office. I'll never have another chance to tell you what I really believe.'" *(NYT)*

What Makes a Sweatshop?

Standards Panel Is Split on Wage and Hour Guidelines

By Steven Greenhouse
New York Times Service

NEW YORK — In a groundbreaking effort to set minimum standards at apparel factories both inside and outside the United States, a presidential task force that includes representatives of labor unions, human-rights groups and industry powerhouses such as Liz Claiborne, L.L. Bean and Nike has agreed on child-labor and anti-harassment practices but remains badly split over wages and hours.

The task force hopes that if it can agree on voluntary standards, the measures will then be embraced by the U.S. apparel industry. Its members also hope for public expressions of support from President Bill Clinton, to whom it hopes to send its report by late this month.

But the panel is by no means united on what the standards should be.

The apparel companies in the task force, which want standards to dispel any notion that they themselves use sweatshops, say factories, whether in New York or New Delhi, should not be considered sweatshops if they pay the local minimum or prevailing wage.

The unions and rights groups, on the other hand, maintain that such a wage is often too meager to support a family. They say factories should be considered sweatshops unless they pay wages high enough to meet basic needs.

The members of the task force have pledged to keep their deliberations confidential. But several participants disclosed in interviews that in addition to the pay dispute, there was a split over hours.

The unions and rights groups contend that factories should generally be considered sweatshops if employees are required to work more than 48 hours a week. The apparel companies say factories should be free to require a 60-hour week.

Any standards adopted would presumably have great potential to influence factory conditions in Haiti, Honduras, Indonesia, Sri Lanka and dozens of other countries on which U.S. clothing and footwear makers rely for production. The task force is leaning toward setting up a monitoring organization to ensure compliance at factories that are under contract to companies that adopt the standards.

Although the panel hopes all major American apparel companies will adopt the standards, some members fear that if those standards are too strict, many companies will not sign on. "It's not going to be helpful just to keep these standards to a small number of participants," said Roberta Karp, a co-chairman of the panel, who is general counsel of Liz Claiborne Inc.

Despite their differences on some issues, business, labor and human-rights participants have been able to reach agreement on others. On child labor, for example, the task force has agreed that factories should generally not use workers under the age of 15, although in some countries they would be allowed to employ 14-year-olds.

Further, for an industry where workers often complain of being hit, groped or shouted at, the group has adopted anti-harassment standards. The participants have agreed that "every employee shall be treated with respect and dignity" and that "no employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse."

The task force, called the White House Apparel Industry Partnership, was created in August.



Paula Bingworth/The Associated Press

STORMING THE CITADEL — Nance Mace, a freshman cadet at The Citadel, with her father, a retired brigadier general who is an alumnus, after she won the gold star for academic achievement. The Citadel, a military school in Charleston, South Carolina, long resisted accepting women.

AMERICAN TOPICS

New York's 'Secret Subway': As Ephemeral as a Puff of Air

It seemed so logical: If capsules carrying mail or receipts could be propelled at high speeds through tubes from one post office to another, or within a department store, why not build bigger capsules and use huge fans to transport people through tunnels?

Alfred Ely Beach, part-owner of the journal Scientific American, was so convinced of the good sense of the idea that in the late 1860s, as Invention & Technology magazine recalls, he hatched an elaborate plot to build a "secret subway" under New York City.

It had to be secret because Boss William Tweed, the vastly powerful New York politician, backed competing plans for an elevated railroad, a project he hoped to invest in; he repeatedly stymied Beach's proposals.

Cagily, Beach managed to get the state legislature to approve his plans to build an underground mail-dispatch line of two tubes, each too small for a railroad car; then he slipped through an amendment for one large tube instead of two. With investors backing him, Beach rented a store across from City Hall, and began digging in the basement, smuggling bags of earth out at night.

In February 1870, he revealed his work. Visitors descended to a handsomely furnished waiting room, complete with grand piano, passed twin statues of Mercury, symbolizing the speed of the wind, then were ushered into a comfortably furnished tubular car for a 100-yard ride, propelled by air from a 50-ton fan.

Passengers were enthralled. But when Beach sought permission to extend the line, an angry Tweed blocked him and eventually the plan died. In 1912, workers building the New York subway came upon the tunnel. Unmarked, it is now the nucleus of the transit station at City Hall.

Short Takes

The number of young children regularly playing sports has rapidly risen, and so, apparently, has the number turning to chiropractors for help with twisted ankles, strained backs or weak muscles, reports The Chicago Tribune. The percentage of children aged 6 to 11 who play sports is now 48 percent, up 10 percent from 1987. No numbers are available for children seeing chiropractors, but their increased presence in waiting rooms is unmistakable, the paper says. Kathryn Putts, a specialist in pediatric chiropractic, said that many children have standing appointments through the soccer season. Tom Fischetti, athletic director at a high school in Chicago, said, "Some of the kids think it's cool to get their backs cracked." Many older Americans remain skeptical of chiropractic care, but acceptance has grown among younger people. In 1992, the American Medical Association said for the first time that it was "ethical" for a physician to refer a patient to a chiropractor.

It's an odd phenomenon, spotted around the country: Old tennis shoes are tied together and flung over telephone lines, where they sometimes dangle for years. Mike Clary, writing for the Los Angeles Times, asked cultural anthropologists about the strange practice. One suggested it was a school-leaving ritual, another that it was done for the physical challenge, yet another that the sneakers went up to mark a sexual conquest. But no one has ever seen the shoes being tossed, so no one is sure. Perhaps, suggested one folklorist, it's aliens.

International Herald Tribune

Away From Politics

• **Police evacuated a neighborhood** in Chula Vista, California, around the home of a federal employee who got a pipe bomb in the mail Saturday, the third such device found in the San Diego area in as many days. The bomb did not go off when the man opened the package. *(AP)*

• **A 5-year-old girl was suspended from kindergarten** for a day in Ocala, Florida, for bringing a nail file to school, violating a zero-tolerance policy on items resembling weapons. The policy was developed by parents, teachers, community representatives and administrators amid concerns over items such as pocketknives and toys being brought to school. *(AP)*

• **The reporting team of Donald Barlett and James Steele,** winners of two Pulitzer Prizes, will leave The Philadelphia Inquirer for Time Inc. Mr. Barlett and Mr. Steele, who have worked as an investigative team at the Inquirer for 25 years, probably will focus on writing for Time, but their articles also might appear in other magazines owned by the company. *(AP)*

• **Federal authorities will begin mailing notices Monday** to a million elderly and disabled legal immigrants who now receive Supplemental Security Income, informing them their monthly benefit checks will be terminated this summer if they have not attained U.S. citizenship or do not otherwise qualify under special exemptions. The four-page letters, accompanied by a fact sheet on how to apply for citizenship, formally kick off the notification process for one of the new welfare overhaul's most controversial mandates: the removal by congressional action of hundreds of thousands of legal immigrants from the SSI rolls. *(LAT)*

• **New York City police officers shot and killed a woman** who drew a gun that turned out to be a toy. Lauri Leitner, 26, of West Islip, New York, was shot once in the chest after police chased her car through the streets of upper Manhattan's Washington Heights, a police spokeswoman said. Officers pursued Ms. Leitner's car in response to a call reporting that shots had been fired and that Ms. Leitner had a gun. *(NYT)*

• **Charges against a Santa Claus** accused of slapping a 7-year-old Cub Scout who tugged on his costume beard will not be settled by a criminal trial in New Hampshire. The decision by the Rockingham County attorney, Bill Hart, effectively ends the assault case against Roy Keiser, 65, who was arrested shortly before Christmas. The incident occurred at a Cub Scout Christmas party where several Cubs accused Santa of being a fake. The scout leader said one of the boys ripped off Mr. Keiser's beard, taking some skin with it. *(AP)*



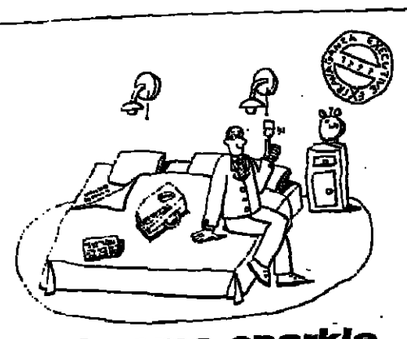
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GREECE	DR	18,200	9,100	50%
IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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ASIA/PACIFIC

Bhutto Disputes Graft Allegations

Campaigning on Enemy Turf, She Defends Her Record

By Kenneth J. Cooper
Washington Post Service

LAHORE, Pakistan — Benazir Bhutto has always been a fighter, and on the last day of campaigning before national elections Monday she took her latest political fight to the home territory of her main rivals.

Lahore, Pakistan's second largest city and capital of Punjab Province, is home to Nawaz Sharif, also a former prime minister and the campaign's front-runner. The city of 6 million is also the hometown of Imran Khan, the former cricket star who leads a new political party taking part in the vote.

Miss Bhutto attracted a crowd of a few thousand, small by South Asian standards, to a rally Saturday and delivered a stump speech with little of her usual rhetorical fire. She accused her enemies of unpatriotic plots and defended her record as prime minister but did not say what she would do if returned to power.

She had more to say about two major reasons for her increasing unpopularity during the past year and for President Farooq Leghari's dismissal Nov. 5 of her Pakistan People's Party government — alleged corruption and economic mismanagement. Once again, she disputed the corruption charges and maintained that the economy had improved during her three years in office.

Many Pakistanis argue that the one-time crusader for democracy — she restored free elections in 1988, when she won her first term as prime minister — allowed her husband, the jailed Asif Ali Zardari, to violate the public trust during her second term, which ran from 1993 to her dismissal.

Mr. Leghari has estimated that corruption siphoned off $1.5 billion in those three years. Shahid Javed Burki, a World Bank executive on unpaid leave as a financial adviser to the interim government, has put losses to corruption and waste at 10 percent to 20 percent of Pakistan's annual economic output.

Initially, the interim government vowed to bring corruption charges against suspected wrongdoers in recent governments, as Mr. Sharif too had been dismissed as prime minister amid allegations of graft. But such a rapid, sweeping dragnet appeared unlikely to occur in the scant three months before the election, and interim leaders later appeared to have concluded it would be unwise to disqualify the leading contenders for prime minister, Miss Bhutto and Mr. Sharif.

> **'All the arrests are only of people from the People's Party. Now, they are admitting that there's no evidence of corruption.'**

Government investigators have gathered evidence against former officials, including Mr. Zardari and other members of Miss Bhutto's government who have been detained, but they have not filed any corruption cases.

Miss Bhutto described the lack of prosecutions as an exoneration of her government.

"All the arrests are only of people from the People's Party," she said. "Now, they are admitting that there's no evidence of corruption."

Miss Bhutto also frequently coupled Mr. Sharif and Mohammed Zia ul-Haq, Pakistan's last military dictator. Mr. Sharif emerged as a political leader after General Zia picked him to be the Punjab's chief minister.

In street interviews Saturday even in Larkana, the largest town near Miss Bhutto's ancestral village in Sind Province, her declining popularity was evident and linked to the form of corruption that most directly affects ordinary Pakistanis: the exchange of government jobs for political patronage. The interim government dismissed 40,000 workers who had not been hired on merit.

"If you have money, you can get a government job; if you are poor, you can't get a suitable job," said Qamar Hussain, a barber and former Bhutto supporter. "She didn't give anything to poor people. She gave jobs to her party workers."

Pakistan votes Monday for the fourth time in eight years. There are about 7,000 candidates vying for offices in the elections, which for the first time combine provincial and federal voting as a cost-saving move.

The main vote will be for a 217-seat National Assembly, the lower house of the Federal Legislature.

Unemployment and inflation have been major issues in the campaign. Other economic problems helped precipitate Miss Bhutto's dismissal, including a shortage of foreign currency reserves and an uncontrolled budget deficit. Mr. Leghari omitted formal mention of economic mismanagement in his order dismissing her government, apparently to avoid further economic harm to the country.

In her defense, Miss Bhutto said she had revived a "perished and finished" economy inherited from Mr. Sharif. Her economic record is, in fact, mixed.

Foreign currency reserves were $2.4 billion early last year but dropped to $600 million by November. Still, that amount, according to her party manifesto, was twice as great as what Mr. Sharif left behind at the end of his government.

BRIEFLY

Anti-Taleban Militias Reinforce

GHORBAND VALLEY, Afghanistan — A Shiite Muslim militia sent reinforcements Sunday to block fresh advances by the Taleban fundamentalist Islamic movement, travelers said.

They said Karim Khalili, leader of the Shiite Hezb-i-Wahdat faction, was trying to prevent the Taleban from moving toward Bamiyan, a Shiite stronghold in central Afghanistan.

The Taleban have been advancing through the strategic Ghorband Valley in the past few days in their latest offensive against an opposition alliance that includes Hezb-i-Wahdat.

The valley leads west from Jabal os-Siraj, 70 kilometers (44 miles) north of Kabul, toward Bamiyan, whose capture would allow the Taleban to open a new front against the alliance. *(Reuters)*

Sri Lanka Rebels Attack Camps

COLOMBO — At least 30 people were killed in separate clashes between Tamil Tiger rebels and government forces in Sri Lanka's north and east over the weekend, military officials said Sunday.

A large group of Liberation Tigers of Tamil Eelam rebels overran a military camp in Batticaloa district, 200 kilometers (125 miles) from Colombo, just after midnight Saturday, killing 13 soldiers, including a lieutenant, they said.

At the same time, three civilians in the area were killed by a rebel mortar while a soldier was killed and three wounded in a rebel attack on nearby Sittandi army camp around the same time, military officials said. *(Reuters)*

Clerics Condemn Indonesia Riots

JAKARTA — Indonesian Catholic bishops on Sunday blamed "moral decay in almost all aspects of life" for the recent riots in the mainly Muslim country.

"The law is disregarded, people's basic rights are not respected," the Indonesian Bishops' Conference said.

On Thursday, rioters set fire to a church and a Chinese Buddhist temple, wrecked four other churches and looted shops and homes in Rengasdengklok, 50 kilometers (30 miles) east of Jakarta, over reports that an ethnic Chinese woman had insulted Muslims.

In December, four people were killed during riots in the town of Tasikmalaya. *(Reuters)*

For the Record

Bars and clubs featuring nude dancers must close because they are a threat to Cambodian culture, Phnom Penh city officials announced Sunday. Snooker and video parlors in the vicinity of schools will also be closed. *(AP)*

The mayor of Taipei said the city would impose a curfew on teenagers under 18 beginning at midnight Sunday. He warned proprietors of movie theaters, karaoke bars, coffee shops, night clubs, bowling alleys and other facilities their business licenses would be revoked if they served minors after the curfew. *(AFP)*



Charles Dharapak/The Associated Press

HOLIDAY — A boy from a rebel group of the Karen ethnic minority watching a parade in Burma.



Chinese Approve Cutbacks In Hong Kong Civil Liberties

By Keith B. Richburg
Washington Post Service

HONG KONG — A caucus of top Chinese officials and their handpicked Hong Kong advisers, meeting behind closed doors in Beijing, have approved plans to scale back some civil-liberty laws and protections in Hong Kong after China takes charge in five months.

The 150-member Preparatory Committee, the Chinese body overseeing the handover of this British colony, voted overwhelmingly Saturday to endorse the rollback of Hong Kong's civil liberties.

The one dissenter was Frederick Fung, a local politician who defied Beijing last year by voting against a plan to abolish the Hong Kong legislature and replace it with an appointed one. Ten other members abstained.

The action, while expected, dashed a hope held by many that the full Preparatory Committee might respond to local and international criticism by backtracking on Beijing's plans to curtail the freedoms.

The plans include changing the bill of rights, restoring police power to ban protests and restricting foreign funding of local groups. China has said the modifications are needed because the laws in question contradict the territory's Basic Law, which is the document negotiated between Britain and China that will serve as the constitution for the territory after China assumes control on July 1. But Chinese officials have yet to spell out how the laws being scrapped contradict the Basic Law.

China's legal reasoning has drawn skepticism from some of Beijing's normal supporters in Hong Kong. "I could not find anything that contradicts the Basic Law," said Allen Lee, chairman of the pro-business Liberal Party.

Chris Patten, Hong Kong's British governor, kept up his drumbeat of criticism, calling the vote in Beijing "very disturbing."

"What we are still not told is why it is necessary to restrict Hong Kong's civil liberties," Mr. Patten said in a statement. "Once again, we have the impression of legal arguments hastily thrown together, policies made up as we go along."

The dispute over civil-liberty laws, and China's move to set up a rival shadow legislature that will replace Hong Kong's current democratic one, have put Britain and China at loggerheads.

The two countries also have been wrangling in recent days over another issue: Beijing's request to deploy a large contingent of troops here well before the transfer of sovereignty.

Two days of talks on the issue late last month broke down after China insisted on sending "hundreds" of troops here in March to begin preparing for their duties. British officials said only a few Chinese soldiers involved in technical duties would be allowed to come early, and even then no sooner than May or early June.

A British official familiar with the talks said London agreed long ago on the need for an advance Chinese military presence, and British garrison officers already have held a number of get-acquainted talks with their Chinese counterparts. But he added, "Our position is that they will not be setting up a separate garrison on what is still British territory."

The latest wrangling, particularly the threat to Hong Kong's civil liberties, is being watched warily by Taiwan as a harbinger of how China eventually intends to pursue unification talks with Taipei.

Immediately at stake is some $20 billion that Taiwan invests in China, using Hong Kong as a conduit. Taiwan also keeps a formidable commercial presence here that is in question once this colony reverts to Chinese control.

■ China Accuses U.S.

China accused the United States on Saturday of using concerns over human rights as a pretext to interfere in Chinese affairs, The Associated Press reported from Beijing.

A Foreign Ministry statement, carried by Xinhua news agency, was intended to counter the grim assessment of China's human rights record given in a U.S. State Department report released Thursday.

The State Department said the Chinese Communist Party had virtually wiped out public expressions of dissent by jailing, intimidating and forcing into exile all vocal critics.

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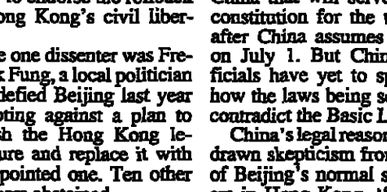
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EUROPE

Chirac-Yeltsin Talks Focus on NATO

Agence France-Presse

MOSCOW — The North Atlantic Treaty Organization and Russia may reach an accord before NATO's key July summit meeting, President Jacques Chirac of France said Sunday after more than three hours of talks with President Boris Yeltsin, whom he found to be alert and in good form.

Mr. Chirac told reporters just before heading back to Paris that an accord with Russia on NATO enlargement "may come even before the Madrid summit," where the alliance is expected to name the former Soviet bloc countries it will invite to join.

Mr. Chirac was the first foreign leader to meet with Mr. Yeltsin since the Russian president was hospitalized with double pneumonia on Jan. 8. They met at Novo Ogarevo, a state residence just west of Moscow.

The French president said he had "rediscovered" the Boris Yeltsin he knew before, and had been "very impressed with the speed of his recovery."

"I found him to be very clear on all world problems, and he energetically defended Russia's interests," Mr. Chirac said.

Mr. Yeltsin, who turned 66 on Saturday, has been largely absent from the public eye for the last seven months. Only a few brief television clips of him have been shown since his latest hospital stay.

He underwent a quintuple heart bypass operation in November, and recently canceled two international engagements, including a European Union summit meeting in the Netherlands.

The Kremlin spokesman, Sergei Yastrzhembsky, said that Mr. Yeltsin had reiterated Russia's opposition to NATO expansion during the talks with Mr. Chirac, who said that France understood Moscow's concerns.

The formal talks at Novo Ogarevo lasted one hour and 15 minutes, but the two leaders continued their discussions at a working dinner. Afterwards, the spokesman said, Mr. Yeltsin felt that "in many areas the position of Russia and France coincides, especially concerning European problems."

Mr. Chirac told reporters he felt that the dispute between NATO and Russia over the alliance's plan to take in new members was "taking place within a context allowing it to be resolved."

Poland, the Czech Republic and Hungary are seen as the leading candidates to join NATO, but alliance officials caution that the enlargement process will take place in phases over several years.

NATO is currently trying to work out the terms of a charter with Russia that it hopes will allay some of Moscow's fears and usher in a new era of post-Cold War cooperation. But the alliance has distanced itself from Moscow's call for a legally binding document, and has ruled out a Russian veto over its decisions.

Mr. Chirac said that Mr. Yeltsin wanted a NATO-Russia accord to be legally binding, and not just a declaration of principles.

"On that score, France said it was not adopting a position," Mr. Chirac said, adding, "Between a political statement and a legally binding statement ratified by all parliaments, there is a range of possibilities, and therefore a margin for discussion."

Mr. Yeltsin also outlined Russia's conditions for an accord, including the geographical areas of NATO intervention and NATO deployments for which Moscow would be consulted.

Russia particularly wants firm security guarantees that NATO will not deploy nuclear weapons on the territory of future new members in Eastern Europe.

Mr. Chirac said that France had "always been against Yalta, against the division of Europe. Our ambition is to remove Yalta, to have a general security architecture," he said, referring to the carve-up of Europe into two rival blocs that followed World War II.

"Therefore," he said, "we very much want to reach a Russia-NATO accord allowing for NATO's enlargement, which is necessary today, while respecting Russia's political and security interests."

UN and U.S. Get Pressure on Rights

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — With a new secretary-general here and with President Bill Clinton entering his second term, human rights groups are stepping up pressure on both leaders to make protection against violence and abuse a higher priority.

The groups' efforts coincide with preparations for the annual meeting of the UN Human Rights Commission, in Geneva in March and April. At the meeting, Asian and African members are expected to continue their drive to demand that no action be taken by the commission unless the 53 member nations support it unanimously.

In a letter sent in January to Kofi Annan of Ghana, the new secretary-general, Kenneth Roth, executive director of Human Rights Watch, suggested several ways the United Nations could do more to defend human rights. His proposals have been supported by other rights groups, including Amnesty International and the Lawyers Committee for Human Rights.

The Clinton administration will be urged to end its 'double standard' on rights.

A group of American organizations are drafting a letter to Mr. Clinton in which they are expected to urge him to end what Mr. Roth calls the administration's "double standard" of criticizing violators who have little commercial or strategic importance to the United States, while sparing more powerful countries like China and Turkey.

In his letter, Mr. Roth said that Jose Ayala-Lasso of Ecuador, named three years ago as the first UN high commissioner for human rights, should establish a more powerful presence at UN headquarters. The commissioner should press the Security Council to give increased prominence to human rights protection in peacekeeping and relief operations, the letter said.

UN forces should not have to become "silent witnesses" to serious abuses, he said, citing the inability of UN peacekeepers in Bosnia to prevent ethnically motivated violence.

Human Rights Watch, in its letter, also criticizes the low-key approach Mr. Ayala-Lasso has taken toward his job, saying the secretary-general should encourage him to "take a more activist approach and become a leading public voice and moral authority on human rights issues worldwide."

In an interview, Mr. Roth complained about Mr. Ayala-Lasso's preference for quiet diplomacy, saying that he had been silent on war crimes in the Balkans and had never sought to draw the Security Council's attention to serious violators.

Reached by telephone in Geneva, Mr. Ayala-Lasso declined to comment on the Human Rights Watch criticisms of him personally. But he said he completely shared the group's belief that the role of the United Nations in encouraging respect for human rights needed to be strengthened.

BRIEFLY



Yves Herman Reuters

STEELED — A Socialist union leader, Roberto d'Orazio, speaking to a crowd near Brussels on Sunday. More than 20,000 people joined a march protesting job losses at the bankrupt steel firm Forges de Clabecq.

Corsican Rebels Set Off 58 Bombs

AJACCIO, Corsica — Corsican separatist guerrillas defied a French government crackdown to mount a show of force on the Mediterranean island Sunday, exploding 58 mostly tiny bombs in a few hours.

No one was wounded in the predawn blitz, mostly limited to post offices and other symbols of French state authority.

The "historic wing" of the outlawed Corsican National Liberation Front, seeking to prove it has not been crushed by the detention of three political leaders in recent weeks, said it planted the bombs. *(Reuters)*

Bikers Suspected in Jail Attack

COPENHAGEN — An anti-tank grenade was fired into a jail housing members of the Bandidos biker gang early Sunday, wounding one gang member in his cell.

The bikers were being held in connection with a grenade attack in October on a Hells Angels compound in Copenhagen, in which two people were killed and 19 wounded.

The police said several people with ties to the Hells Angels were arrested in connection with the attack Sunday on the jail in Koege, 20 kilometers (12 miles) south of Copenhagen. The Hells Angels and Bandidos gangs have been feuding for three years in Denmark, Finland, Norway and Sweden. *(AP)*

Spain Turned Over Nazi Gold

MADRID — Spanish authorities turned over 101 kilograms of gold to the Allies in 1948 that had "probably" been plundered from Jews or from occupied countries by the Nazis, El Pais reported Sunday.

The newspaper also said the Swiss National Bank had paid the Bank of Spain a total of 187 million Swiss francs ($130 million) between 1941 and 1945 with gold plundered by the Nazis from occupied countries.

The money was used to pay outstanding debts and transport taxes on Spanish territory for Portuguese goods bought by Switzerland, El Pais said. Switzerland is embroiled in a scandal over the fate of Jewish assets and Nazi gold banked in its vaults during the war. *(AFP)*

Maskhadov Wins Chechnya Vote

GROZNY, Russia — Aslan Maskhadov won presidential elections in Chechnya with just under 60 percent of the vote, according to final figures announced Sunday by the electoral commission.

Mr. Maskhadov, 45, who was head of Chechen armed forces during the country's 21-month war with Russia, won 59.32 percent of the vote. His closest rival, the rebel warlord Shamil Basayev, garnered 23.5 percent. *(AFP)*

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

- The EU statistical agency Eurostat will announce Monday whether it will accept a number of budget measures planned by EU governments to reduce their deficits and debt this year. The decision will signal whether the agency is toughening its stance because it was criticized in November for endorsing a French plan to reduce its deficit by 37.5 billion francs ($6.8 billion) this year through a one-time payment to the government from state-owned France Telecom.
- Justice and interior ministers will hold an informal meeting in the Dutch coastal town of Noordwijk on Wednesday and Thursday to consider new measures for fighting international crime and discuss possible changes to the Union's governing treaties to intensify cooperation on issues ranging from crime to immigration.

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INTERNATIONAL

Police More Discreet in Peru Siege

Agence France-Presse

LIMA — Talks between the leaders of Japan and Peru translated into a low-profile police presence at the Japanese ambassador's home Sunday, but there was no sign formal talks to end the hostage crisis would soon be held.

Japan had been concerned about escalating police activity around the embassy residence where Tupac Amaru Revolutionary Movement rebels hold 52 Peruvians, 1 Bolivian and 19 Japanese hostages.

The war of nerves in the exclusive San Isidro neighborhood has been toned down to a musical war. The rebels' revolutionary songs were drowned out by military music and sirens early Sunday, but provocative police parades that provoked shooting last week have been absent.

The question now is whether talks to end the nearly seven-week crisis will be held.

❑ Agreement on Talks

Anthony DePalma of The New York Times reported from Toronto:

Under pressure from the government of Japan, Peru has agreed to reopen formal talks with rebels to find a peaceful solution to the six-week hostage crisis in Lima, but it again ruled out meeting demands for a release of rebel prisoners in Peruvian jails.

President Alberto Fujimori of Peru called for the talks to resume after a 90-minute meeting here Saturday with Prime Minister Ryutaro Hashimoto of Japan.

Mr. Hashimoto expressed concern this week that Peru was considering using force to end the siege at the Japanese ambassador's residence in Lima and was trying to push Peru, with which Japan enjoys an especially close diplomatic and trade relationship, to try harder for a peaceful solution.

Both men reaffirmed their determination to end the hostage crisis without bloodshed. But they both flatly rejected the rebels' principal demand: that some 400 members of the Tupac Amaru Revolutionary Movement be released from Peruvian prisons.

At a news conference at the downtown Toronto hotel where they met, the leaders refused to discuss the details of their conversation, or to outline how they intend to end the siege without harming the 72 diplomats and businessmen who have been held since the rebels stormed the compound on Dec. 17 during a reception honoring the birthday of the Japanese emperor.

But Mr. Hashimoto tried to make it clear that he had received assurances that Mr. Fujimori would not provoke the rebels into a response that would warrant the use of force by the Peruvian security forces, who have been harassing the rebels inside the compound, raising fears of a violent confrontation.

"Today we had a frank exchange of views," Mr. Hashimoto said.

While holding out hope for a peaceful solution, both leaders restated their refusal to meet the rebels' demand for the release of prisoners, raising questions about the chances for success for any new talks. Earlier informal talks between a Peruvian government negotiator and rebels broke down over the issue.

Mr. Fujimori repeated his pledge to refrain from using force.

"To the extent that there is no harm to the hostages," he said, "no force will be used."

But he seemed to place clear limits on how much his government would accept.

"If a single hostage or several hostages are taken ill," or are not taken care of physically and mentally, "that would not satisfy the conditions that I have set," he warned.

Mr. Fujimori said that he could not release the rebels who are being held prisoner because they are "potentially dangerous people."

He called the hostage taking "an act of terrorism," and refused to acknowledge the Tupac Amaru as a legitimate rebel group.

"In Peru we do not have guerrillas," Mr. Fujimori said. "Calling them guerrillas or insurgents is incorrect."

BRIEFLY

Sudanese Rebels See Wider War

KUWAIT CITY — Sudanese rebels will open new fronts in their offensive against the Khartoum government despite international mediation efforts to end the fighting, Sadek Mahdi, the opposition leader, said Sunday.

Mr. Mahdi, in an interview with the Kuwaiti newspaper Ar Ra'i al 'Aam, also accused the fundamentalist government in Khartoum of receiving Iraqi support and working as an agent for Iran to spread militant Shiite Islam.

"The fronts will be extended," Mr. Mahdi, head of the main northern opposition movement Umma, told journalists. "I tell you the war will spread."

Fighting has raged for almost a month in southern and eastern Sudan.

Mr. Mahdi, who was prime minister until General Omar Hassan Ahmad Bashir overthrew him in a 1989 coup, said the president of the United Arab Emirates, Sheikh Zayed ibn Sultan an Nahayan, "told us he was ready to conduct a mediation effort."

He also said the United States has had contacts with both the opposition and the government. *(AFP)*

Stay at Home, Cleric Tells Women

CAIRO — A leading Muslim cleric in Egypt whose remarks last week about limiting the role of women sparked an uproar stoked the flames Sunday by saying women should stay at home.

Mufti Sheikh Nasr Farid Wassel told the United Arab Emirates' weekly Al Shuruk, which is to appear Monday, that his call for women not to seek positions of power because it would be against their nature "was not a threat to their rights."

"The reality clearly shows that man is better able to make decisions on delicate questions and to judge things in a rational manner," Sheikh Wassel said, adding that "nothing frees a woman from her duties at home."

"Islam does not oppose the ascension of women to high offices," he said. "We agree that they can be ministers, managers or members of Parliament, on condition that they do not forget their responsibilities to their husbands and children."

Egyptian women, and some men, were up in arms after last week's statements by Sheikh Wassel, whose remarks can be taken as religious decrees.

"This is a shock," said Mahmud Amin Alem, an eminent writer and editor in chief of the quarterly magazine Al Kadaya Al Fikriya (Ideological Issues).

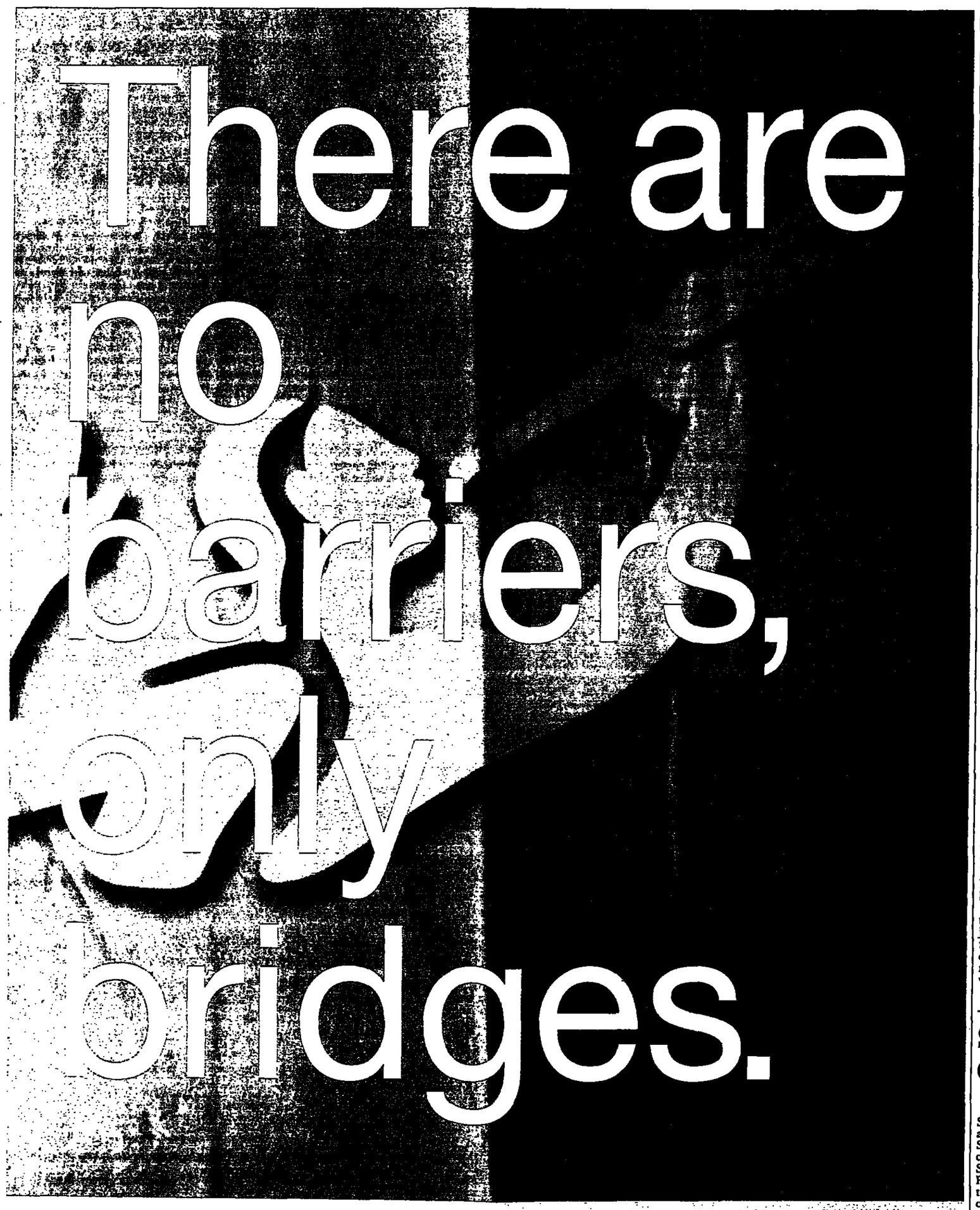
Three women hold cabinet jobs in Egypt, a country where men can prevent their wives from traveling abroad without their consent. *(AFP)*

Guatemala Military Mutiny Ends

GUATEMALA CITY — Almost 1,000 military police who staged a four-day uprising demanding improved pay ended their revolt Sunday after their barracks was surrounded on order of the army high command.

The news came just a few hours after the first exchange of gunfire between heavily armed government troops and the mutinous forces holed up in the Mobile Military Police barracks.

Earlier in the day, a military official who identified himself as Eric Quinones told the Spanish national radio by telephone the soldiers would not leave the barracks until the government yielded to their demand for $10,000 to be paid to all 4,000 members of the unit upon demobilization later this year. *(AFP)*



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Mexicans Arrest Seer and Mistress In Salinas Case

By Julia Preston
New York Times Service

MEXICO CITY — Last Oct. 9, federal prosecutors unearthed a body on a ranch belonging to Raul Salinas de Gortari and triumphantly predicted that the cadaver would implicate him in one of Mexico's most infamous murders.

Now, in a startling turnabout, the authorities have arrested his former mistress and a clairvoyant and charged them with planting the body in an apparent attempt to frame Mr. Salinas, the eldest brother of a former president.

And officials have disclosed that they are actively investigating the possibility that the top prosecutor in the case and three of his assistants themselves took part in the plot against Mr. Salinas.

Altogether, eight people were arrested for illegal exhumation and burial of a corpse, conspiracy and perjury. They are Maria Bernal, a young Spanish woman who had been Mr. Salinas's lover; Francisca Zetina Chavez, a seer who claims she provided spiritual counseling to Mr. Salinas, and six relatives and friends of Mrs. Zetina.

Top Mexico City justice officials announced that the corpse had been identified as the father of a son-in-law of Mrs. Zetina, who goes by her nickname La Paca. He died in November 1993 of a head wound and was originally buried in a public cemetery in the capital.

The officials said that Mrs. Zetina's son-in-law, Joaquin Rodriguez Cortes, also a follower of her religious cult, had confessed that he was moved by spiritual instructions from Mrs. Zetina to dig up his father's body one night in early October 1996 and bury it behind the stables on Mr. Salinas's property in the hills above Mexico City.

City investigators found the fingers and parts of the jaw, which were missing from the corpse when it was discovered on the Salinas ranch, in the family grave where it was first interred.

The special prosecutor in the case, Pablo Chapa Bezanilla, said in October that he was led to the burial site on Mr. Salinas's horse farm by a map and an anonymous letter provided by Mrs. Zetina, who said that "vibrations" had helped her locate the body.

The anonymous note identified the body as a federal deputy, Manuel Munoz Rocha, who has been accused of organizing the September 1994 assassination of a prominent politician and has been missing since a few days after that killing. The note accused Mr. Salinas of murdering Mr. Munoz Rocha by bashing him over the head with a baseball bat.

Mr. Chapa and other top Mexican justice officials said the corpse would be the "conclusive proof" that Mr. Salinas had masterminded both the shooting of the politician, Jose Francisco Ruiz Massieu, and the murder of the missing deputy.

That assertion proved to be the downfall of Mr. Chapa as well as the attorney general, his superior. When forensic tests showed that the body was not the missing deputy, President Ernesto Zedillo dismissed them both. But the case has continued to be a major embarrassment for the Mexican justice system, which is in severe crisis nationwide.

Mexico City authorities said Friday that they had issued an order to place Mr. Chapa under house arrest and were preparing to charge his assistants with illegal interment.

These events spell the final collapse of Mr. Chapa's credibility and cast serious doubt on the entire case he sought to make against Mr. Salinas for the Ruiz Massieu killing. Although Raul Salinas has never been convicted on any charge, he has been held since February 1995 in a maximum security prison.

But the federal prosecutors said Friday that they would continue to press the homicide case against Mr. Salinas, the brother of former President Carlos Salinas de Gortari.

Senegal to Probe Crash Of Plane Full of Tourists

The Associated Press

DAKAR, Senegal — The Senegalese transport minister appointed a commission Sunday to determine what caused the engine of an Air Senegal plane loaded with French tourists to stall as it took off, sending the aircraft crashing to the ground.

At least 23 people died when the twin-engine turboprop, a British-made Hawker Siddeley 748, smashed back onto the runway and burst into flames Saturday, seconds after lifting off from the central city of Tambacounda. An additional 29 people survived the crash. Most of them were French travelers.

"When we got to the end of the runway, the engines revved up and it was working OK," an unidentified survivor told Senegalese radio.

"But after 30 seconds the engines stopped and we came down," the survivor said. "The plane then crashed and broke into two. Those of us who survived were at the rear end of the aircraft." The front of the plane was engulfed in fire "like a furnace," he said.

The dead included the co-pilot, Vladimir Vierra, son of the president of neighboring Guinea-Bissau. The Senegalese pilot and a third Senegalese crewman also died. The rest of the dead were European tourists, nearly all of them French, who were headed back to Dakar after a vacation in a wildlife park.

The 52-seater plane was filled to capacity, and there had been scuffles at the Tambacounda airport as several tourists trying to board were not allowed on because there were not enough seats. Four people eventually were forced to get off the flight and drive to Dakar.

Tambacounda is a base for tourists visiting the Niokolo-Kobvo national park, an animal and bird-viewing area.

INTERNATIONAL

Sinn Fein Leader Denies Report He Sought Murder of Political Rival

By James F. Clarity
New York Times Service

DUBLIN — Gerry Adams, the political leader of the Irish Republican Army, on Sunday denied as "rubbish" reports in London newspapers that a former IRA guerrilla said Mr. Adams once discussed murdering John Hume, the most prominent mainstream Roman Catholic leader in Northern Ireland.

The reports, in The Observer and The Sunday Times, quoted Sean O'Callaghan, a former high-ranking IRA operative who later went to work for British intelligence, as saying, "I remember Gerry Adams asking me if we should kill John Hume."

"That's total rubbish," Mr. Adams said in an interview in Belfast. "It's a lie. I don't want even to give it any credence by responding to it in any detail or at any length."

Mr. Hume, who has accelerated the current peace effort in the North by conferring regularly with Mr. Adams, did not comment immediately.

[Mr. Adams joined the families of the 14 victims of "Bloody Sunday" who were killed when British troops fired on civilian demonstrators 25 years ago, leading thousands of people Sunday in a march in Londonderry to commemorate the massacre, Agence France-Presse reported.

[Earlier, Mr. Adams renewed a challenge to Prime Minister John Major of Britain to mount a new inquiry into the Bloody Sunday shootings. An official investigation in 1972 exonerated British paratroopers, who said they believed they were under fire from IRA guerrillas attached to a civil rights demonstration by about 80,000 people.]

Normally, Mr. Adams and Mr. Hume are political enemies, contending for the electoral support of the province's Catholic minority. Mr. Adams through his party, Sinn Fein, and Mr. Hume through the Social Democratic Labor Party.

In the election in 1992 for the British Parliament, Mr. Adams lost his seat to a Social Democratic Labor Party candidate, Joe Hendron. Mr. Adams has said he will seek the seat in the British election to be held by the end of May.

Mr. O'Callaghan's latest statement, according to the London newspapers, is to be published in the next edition of Fornight, a respected nonpartisan Belfast magazine.

Mr. O'Callaghan was released early from a British prison in December, after serving eight years for convictions on 43 charges of terrorist crimes.

Since his release, he has gained widespread celebrity for his stories in a series of interviews in newspapers and on several U.S. radio and television programs. Some leaders of the Irish-American community have said the stories were hurting the peace effort.

Mr. O'Callaghan has said that in the mid-1980s, he made detailed arrangements to assassinate Prince Charles and his wife at the time, Diana, Princess of Wales, but canceled them at the behest of his intelligence handlers.

He has also said that he worked for both the Irish Republic and British intelligence services. There has been no corroboration of his accounts of his activities as an IRA agent.

But officials of the Irish government, who have access to Mr. O'Callaghan's intelligence records, have said privately that his stories are untrue.

Some of those officials said that his release from prison was an effort by the British at psychological warfare, to put Sinn Fein and Mr. Adams in a negative light.

This, they say, is because Mr. Major's government has refused to allow Sinn Fein to enter broad-based peace talks in Belfast until the IRA restores the 17-month cease-fire it broke in February last year with a series of bomb attacks in England and later in Northern Ireland.

The talks have been stalled since June, and are unlikely to make any significant progress until after the British elections.

Tim Pat Coogan, a historian and author of several standard reference works on the IRA, said Sunday that Mr. O'Callaghan's stories were fabrications.

"He is a brainwashed former IRA guerrilla, a relatively senior figure," Mr. Coogan said. "First the Irish Special Branch turned him, then the British MI5. This is all an effort to disguise the British culpability in the breakdown of the peace talks, to discredit Sinn Fein in the media."

In its front-page story Sunday, The Observer quoted Mr. O'Callaghan reporting in Fortnight a conversation in 1982, saying: "Something new was needed. I remember Gerry Adams asking me if we should kill Hume."

Mr. O'Callaghan is reported to have advised against it, saying: "It was too late by then. The SDLP had become too big and respected by ordinary Catholics." He was referring to Mr. Hume's Social Democratic Labor Party.

"Killing Hume would have been a major disaster for the Provos," Mr. O'Callaghan is reported to have added, using the nickname of the IRA.

CHIRAC: *A French Jimmy Carter? He's Liked but Seen as Flawed*

Continued from Page 1

labeled a French Jimmy Carter — a notion that surely would be rejected by his aides. They insist his policies are starting to be accepted, evidenced by a slight improvement in economic indicators, and that he has turned polls around before, most notably to take part in the presidential race in 1995.

But according to a Sofres poll for French regional newspapers released in mid-January (and reinforced Friday when the polling organization found the president in continuing decline), only 18 percent of the voters canvassed found Mr. Chirac competent, while 69 percent said they were dissatisfied with his performance, and the same percentage said results of his first 19 months in office had been negative.

The poll reported, however, that 42 percent of the voters personally liked Mr. Chirac. Against the other numbers that chart French gloom — 12.7 percent unemployment, 76 percent of the populace having negative opinions about the country's economic future (the most pessimistic in Europe), 24.5 percent joblessness among people under 25 — Mr. Chirac's situation appears difficult.

"I find myself thinking very much like the average Frenchman on Chirac," said Jean Lacouture, a writer who is the author of an acclaimed biography of de Gaulle. "I'd rather have him as a brother-in-law or a guy I go to a rugby match with. He's not dumber than anyone else, but I don't sense there's an intellectual framework there.

"There's no sense of strategy, no capacity for invention. Mitterrand was too complicated, with people assuming he was always or three jumps ahead. With Chirac, the assumption is he's a jump behind."

Philippe Alexandre, one of the country's most acerbic political commentators, said there was no real contradiction in terms of French sensibilities between personal popularity and assumed mediocrity.

"The French like losers," he said. "They loved Raymond Poulidor, the bicycle racer, who always came in second or worse. And people tend to like Chirac, although many now say Chirac isn't on the level of his predecessors.

"Good will, the absence of any intellectual vanity and the desire to do good are not enough. It's a verbal exercise, the French presidency, and he doesn't have much to make the people dream."

So far, Mr. Chirac offers no claim to having made good on his election promises of lower taxes and a revitalized economy. He played a vigorous part in bringing the war in Bosnia to a standstill, but attempts to assert a French role in Africa and the Middle East have looked to his critics fumbling and futile, and his decision to test nuclear devices in French Polynesia created a months-long running sore in international public opinion.

The wider problems that Mr. Chirac has acknowledged he must deal with may, in some respects, be tougher than those faced by most of his West European counterparts. As he has pointed out, the resistance that France feels toward the restructuring needed for its economy to remain competitive goes beyond straightforward economic decisions and to a sense that a national way of life that worked is being discarded.

More than in virtually any other democratic country, France has operated with intense state involvement in every area of life. Moving away from that approach — by design or by the force of global markets — threatens scores of entitlements and heightens a sense of impotence among people who are not used to risk and are sensing the sudden inappropriateness of their old methods and reflexes.

Mr. Chirac has said as much: France has told itself so long that it is wonderful that it cannot conceive of change.

"For reasons that have to do with our culture, the French have great difficulty accepting reforms," the president told a French newspaper last week. "Since we lack a culture of dialogue, reforms are accomplished in bursts between long periods of paralysis."

The French, Mr. Chirac has explained, are a profoundly conservative people with "a genius for denigration."

The president may have been thinking of himself. He is portrayed nightly in a popular television puppet-show satire, for example, as a friendly but hyperactive incompetent. Relatively little has been said in the French press about his extremely vigorous statements on racism or the responsibilities of the wartime Vichy government (a subject fled by his predecessor, Francois Mitterrand). But his energy is often depicted as flailing, and his ease with people made out as vulgar excess.

Under the circumstances, the president's method for dealing with the country's and his own problems involves pressing ahead with programs of reform in youth employment, education, justice, and military service and defense.

But the accident-prone quality of his staff's management was apparent last week in the mishandling of an undisclosed memorandum between the president and Chancellor Helmut Kohl of Germany on European defense policy that led to an embarrassing parliamentary debate and accusations that Mr. Chirac was abandoning French nuclear independence.

"I'm afraid we'll hit the rocks one day," Mr. Lacouture, the biographer, said, "and he'll do his best. He won't be cowardly or stupid. He'll be generous. But he won't have seen the rocks coming."

Because of his seven-year term and the presence in the French government system of a prime minister who serves as an overseer of day-to-day domestic political matters — and as a lightning rod in the event of small disasters — Mr. Chirac is not under urgent pressure for quick fixes.

But he cannot avoid paying attention to legislative elections in 1998 or the potential perception abroad that he is a failure at home.

Max Gallo, a novelist and biographer who served as government spokesman during Mr. Mitterrand's first term as president, said that, whatever doubts there were about Mr. Chirac's capacities, he would probably win re-election if he ran next week.

"His isn't the legitimacy of talent," Mr. Gallo said, "but of affection."

"He's the least bad possibility around. We can fear his mistakes, but not his deviousness or his dishonesty."



Patrick Aviotat/Agence France-Presse

Yasser Arafat and Prime Minister Benjamin Netanyahu shaking hands Sunday after meeting at an economic forum in Davos, Switzerland.

MIDEAST: *Hailing a New Start*

Continued from Page 1

launched with greater vigor."

Mr. Arafat expressed guarded optimism about his upcoming talks with Mr. Netanyahu at the Israeli town of Erez on Thursday, one of their first meetings since they signed an accord last month guaranteeing an Israeli pullout from most of the volatile city of Hebron. "We hope at the meeting we will try to solve all the problems we are facing," he said.

He and Mr. Mubarak both complained strongly Sunday that Israel was not doing enough to implement the terms of the 1993 regional peace agreement, known as the Oslo accords. During his speech here, Mr. Arafat broke into English and raised his voice to protest "illegal settlements" the Israelis were raising on the West Bank and "confiscatory" taxation. Mr. Mubarak also called on Israel to complete all aspects of its withdrawal from Hebron and adhere to its other commitments.

But the tone was milder than last fall, when an Israeli decision to open a tourist tunnel near Jerusalem's Al Aqsa Mosque led to violence that killed 60 Palestinians and 15 Israeli soldiers. Then, Mr. Mubarak boycotted an emergency summit meeting on Middle East peace called by President Bill Clinton because he felt it would not achieve anything.

Mr. Netanyahu has been much in evidence here in Davos, meeting with business leaders, pitching the growth potential of the Israeli private sector and, Friday, skiing. The visit marked a shift for the prime minister, who during his 1996 election campaign broadcast campaign ads mocking his late predecessor, Yitzhak Rabin, and electoral opponent, Shimon Peres, for going to Davos and bobnobbing with the bigwigs.

Mr. Peres also was here Sunday, sitting in the front row of the vast auditorium of the World Economic Forum as Mr. Mubarak, Mr. Arafat and Mr. Netanyahu made speeches to the 1,000-plus attendees. The three did not appear on the stage together. They spoke little and sat at separate tables at a dinner Saturday night.

KLAUS: *Czech Leader Bullish on Creation of Market Economy*

Continued from Page 1

or probably goes to Poland, where economic growth in 1997 appears headed from 5 percent in 1996 toward the 7 percent level it saw in 1995, according to the research group Oxford Analytica.

Mr. Klaus, 55, was not shy about warning his Western neighbors that they would encounter risks along the path to Europe's single-currency project.

"As an economist," he said, "I expect periods of divergent economic developments in various European countries that will — without the mechanism of flexible exchange rates — lead to conflicting requirements on the centralized European budget." He added: "In this respect, I envisage problems and conflicts."

During a debate at the conference that included the financier George Soros and Jacques Santer, president of the European Commission, Mr. Klaus found himself disputing comments by both men.

He took issue with Mr. Santer's promise that a unified European Union would soon become a global power, saying, "I don't want to become a global power." And he accused Mr. Soros of being too optimistic about the EU's chances of achieving significant political and economic integration over the next decade.

"There has been a widespread increase in attempts to legislate — which means to control and regulate — almost everything in human life and human activities," Mr. Klaus said of the Union. "It is one dangerous development which we citizens of former Communist countries know too well."

By contrast, Mr. Klaus said, in most of Europe's post-Communist countries, "the transformation of institutions and basic rules has been completed," even though "those countries have not yet reached the level of development which they would have wished."

The Czech Republic has made its dramatic improvement, Mr. Klaus said, as it shifted from an economy based on manufacturing to one based on service industries such as tourism, banking and telecommunications.

He also outlined an ambitious program of privatization in the coming months that includes three of the nation's largest banks and an aircraft-manufacturing company.

He said the first bank to be privatized, in the next few months, would be Investment and Postal Bank, which he said was worth roughly $1 billion.

In addition, bidders are being asked to submit tenders for Aero, the state-owned producer of jet aircraft engines, which Mr. Klaus estimated was worth "a few hundred million dollars." Other privatization candidates include the utilities Southern Bohemian and Western Bohemian.

Mr. Klaus acknowledged at least one cloud on the horizon, the country's high trade deficit. "This is the political issue of the day," he said. He also claimed that the Czech Republic had opened its borders to trade with the Union more than the EU had opened its markets to Czech products.

He also noted rather plaintively that the start of formal negotiations for EU membership had been repeatedly delayed. "We are still waiting for negotiations to begin," he said, adding that he had been promised that the formal talks would start six months after the EU completed its Intergovernmental Conference, "whenever that is."

Commenting on Prague's desire to join NATO as soon as possible, Mr. Klaus said he had met here with Javier Solana Madariaga, the NATO secretary-general: "We expect that we will be invited to join this July, after the NATO summit in Madrid. We take this for granted. It is what I expect."

ACCORD: *China and U.S. Agree to Raise Textile Import Quotas*

Continued from Page 1

The imbalance in textile trade is one of the biggest contributors to the U.S. trade deficit with China, the second biggest after Japan.

According to the Commerce Department, the surplus reached $36.87 billion in the first 11 months of the 1996, surpassing the record $33.8 billion for all of 1995.

The agreement, signed early Sunday after 50 hours of nonstop talks, extends for four years a 1994 treaty that expired at the end of last year and had been extended through January.

The deal leaves in place some $19 million in penalties placed by Washington on Chinese imports, Ms. Hayes said, although Beijing agreed to withdraw its threat to impose retaliatory tariffs on certain categories of U.S. exports.

But bilateral trade in textiles and garments will remain heavily in China's favor under the agreement.

Beijing shipped $6.65 billion worth of textile goods to the United States in 1995, the last year for which full data are available, giving it the largest share of the U.S. market after Canada and Mexico.

American textile manufacturers shipped $64 million worth of garments and fabric to China in 1995.

Ms. Hayes said that figure could be doubled with improved market access and optimum performance by U.S. exporters.

According to the negotiator, China promised to remove many of the nontariff barriers that blocked U.S. exports. Among the U.S. exports that might benefit are fabrics, apparel and carpets.

The agreement does not change Beijing's tariff rates on such imports. They are between 20 percent and 30 percent for the most part.

China also got slight increases in some categories of its export quotas, Ms. Hayes said. She declined to provide further details, saying the memorandum of understanding reached Sunday had yet to be finalized.

Negotiators had given themselves until Friday to work out a new agreement but allowed the talks to drag on for two more days as they haggled over the issue of U.S. access to China's market.

The talks were complicated by U.S. accusations that China had skirted import quotas through mislabeling and transshipment, or shipping products through such intermediaries as Hong Kong — charges Beijing has denied.

American companies that buy textiles or apparel from China were watching the talks to see whether Washington extracted assurances from Beijing to stop transshipments.

"The transshipment charges that were made in September still stand as they did," Ms. Hayes said, but she refused to elaborate.

Both sides also agreed to separate treatment of quotas for Hong Kong, Macau and China after they revert to Chinese rule.

Beijing will reabsorb the British colony July 1, while Macau, a Portuguese colony, will revert to Chinese rule in 1998.

Combining Hong Kong and China would have changed the trade scenario, said David Toung, a retail analyst with Argus Research, because of the large number of sewing factories in Hong Kong that would have had to be included in the Chinese quota.

The trade pact was one of several areas in which Beijing and Washington have claimed progress as relations warm following two years of friction over Taiwan, trade and human rights, among other issues.

Secretary of State Madeleine Albright is due in Beijing this month, and a visit by Vice President Al Gore is expected in the spring.

While the final round of textile talks was under way, the U.S. assistant trade representative, Lee Sands, held separate discussions for 2½ days on Beijing's membership application to the World Trade Organization.

Those talks "made some progress," Ms. Hayes said.

If China gains admission to the WTO, its conditions for entry may override the new textile pact, she said.

(AP, Bloomberg, Reuters)

MASCOTS: *Australia's Obscure Fauna Finding Olympic Fame*

Continued from Page 1

of the three creatures "corny."

But he added: "Corny sells. You could put a stuffed hamburger out there and it would sell." Usually one critter has been enough for the Summer Games, which have had mascots since 1972. In Barcelona in 1992, Cobi the dog took some ribbing but ended up as one of the more successful mascots.

Atlanta last summer used Izzy, a computer-generated blob in a jacket and tie that did not seem to symbolize much of anything but still sold the products.

That Sydney would have three mascots instead of one seems to represent the spirit of compromise that Australians are known for. Some of the characters that were not chosen for the Olympics include the crocodile, the venomous funnel-web spider, the cockroach, the redback ant, the blowfly and the sheep, that great bulwark of the bush economy.

Animal biologists have found flaws in the representation of the two mammals. The echidna's eyes are really quite small and barely noticeable, in contrast to the bright, cheery eyes of Millie, said Dr. David Schultz, the senior veterinarian at the Adelaide Zoo.

Moreover, the echidna, often described as a living fossil, has hind feet that face backward. Millie's face forward. Syd, the platypus, as well as Millie, should have five digits on each foot, not the three toes and four fingers of the cartoon characters.

"While I don't go for cartooning animals," Dr. Schultz said, "if you're going to do so, at least get them anatomically correct. Our wildlife is unique, and if we're going to show it to the world, it should be accurate."

Mobutu Heads Home With Stop in Morocco

Reuters

ROQUEBRUNE CAP MARTIN, France — President Mobutu Sese Seko of Zaire, who has been convalescing on the French Riviera, will fly to Morocco on Monday to meet King Hassan and travel home to Zaire on Saturday, a spokesman said.

Mr. Mobutu will meet the Moroccan leader "at the start of the week, Monday or Tuesday," said Mobutu Nzanga, a son of the president and his spokesman.

Mr. Mobutu has been in France convalescing from surgery for prostate cancer in Switzerland. Aides to the president said that two hospital examinations in Monaco during Mr. Mobutu's current stay were satisfactory.

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EDITORIALS/OPINION

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All Talk, No Action

The Clinton administration seems to have settled on a policy for dealing with the war criminals of former Yugoslavia: Speak frequently, and carry no stick at all.

The latest renewal of the policy came Friday, when the chief prosecutor of the UN war crimes tribunal, Louise Arbour, visited Secretary of State Madeleine Albright. Afterward, the State Department spokesman Nicholas Burns said the two women had "agreed that there had to be a greater effort made to detain war criminals and prosecute them." Added Mr. Burns: "We have been saying that for well over a year now." Exactly so.

The whereabouts of 65 indicted but uncaptured war criminals are, by and large, well-known to U.S. forces. In many cases, as Human Rights Watch/Helsinki documented in two recent reports, the people running the towns, police forces and businesses of the Serbian portion of Bosnia are the same people who orchestrated the horrors of ethnic cleansing. These criminals have not been arrested because U.S. troops have chosen not to arrest them — because, ultimately, President Bill Clinton has failed to order their arrests. To say a greater effort must be made is meaningless: without U.S. leadership, nothing will happen.

Defense Department leaders resist the mission, fearing for their troops. But some military officers realize that in the long run U.S. security is diminished if U.S. forces are perceived as paper tigers, afraid to challenge a few dozen bullies. Nor can U.S. forces fulfill their mission — bringing peace to Bosnia — as long as war criminals remain at large. Lately, it has become popular to focus on economic reconstruction as the answer to Bosnia's troubles. But war didn't break out for economic reasons, and economic aid alone can't secure the peace. As long as the alleged war criminal Radovan Karadzic and his henchmen run things from behind the scenes, economic aid actually will flow to the criminals, including to people who have become rich by expropriating the property of "disappeared" non-Serbs. Their abuses continue today, having moved from mass rape and murder to intimidation on a more selective scale.

The arrest of war criminals would not only be morally right; it might give pause to like-minded thugs in the future. Conversely, empty rhetoric can only embolden future criminals. Last week, during a visit to the Pentagon, Mr. Clinton renewed his call for a permanent war crimes tribunal. This is as cynical as all the other words, for without an enforcement mechanism such a permanent court would be as weak as the temporary Bosnia tribunal. If the administration is not prepared to make such efforts real, it should at least stop talking about them.

— THE WASHINGTON POST.

Africa's New Mercenaries

Mercenaries have returned to Africa. The new group, led by whites who once fought in South Africa's notorious counterinsurgency units, is called Executive Outcomes and advertises its military services in fancy brochures. The organization, formed in 1989, has little in common with the ragtag band of coup-plotters Africa has seen in recent years. But it threatens to be just as destructive.

The group's spokesmen say it works only for legitimate governments, unlike the anti-Communist mercenaries Mike Hoare and Bob Denard.

The soldiers, many of whom are black, make at least $2,000 a month and use modern weapons like helicopter gunships. For roughly $60 million, Executive Outcomes led an operation that defeated Angola's guerrilla army, something the government had been trying to do since the country's independence 22 years ago. In Sierra Leone it organized the defeat of a powerful insurgency and allowed the country to hold elections, reportedly in exchange for a diamond-mining concession. The group, which claims to have relationships with 30 governments, may next be hired by Zaire's dictator to defeat a rebel group in eastern Zaire.

Executive Outcomes owes its rise to the end of the Cold War. Africa's formerly ideological civil wars have now become competitions for control of natural resources. In addition, in some nations, government officials have left police and soldiers unpaid and undisciplined. Some African leaders, like Mobutu Sese Seko in Zaire, have refused to pay or train their militaries, not wanting to create forces that could turn against them. The West, for its part, is no longer willing to spend money or blood to intervene, leaving a vacuum that private companies are eager to fill.

The dangers are clear. There is nothing to keep the soldiers of Executive Outcomes from falling into terror, destabilization and banditry. Many of its leaders got their start carrying out the South African government's terror campaign against its domestic opponents under apartheid and supporting Pretoria's clients in Mozambique, Namibia and Angola during that era. In Angola they fought alongside the guerrilla army they helped defeat in recent years.

The soldiers of Executive Outcomes are not accountable to anyone other than the organization's leaders. If the mercenaries commit atrocities, citizens have no recourse. The company's financial arrangements are also troubling. If governments reimburse the group by granting it mining concessions, for instance, political leaders are effectively surrendering control of vital national resources. Regaining control when payment obligations have been met may not be easy.

Although Nelson Mandela's government says it is going to outlaw Executive Outcomes, it was happy for a time to have the group's soldiers occupied elsewhere in Africa, instead of making trouble at home. Mr. Mandela is right to start worrying now. It is not in the long-term interest of South Africa or its neighbors to encourage Executive Outcomes.

— THE NEW YORK TIMES.

Healthy Bickering

The public bickering between American and Saudi officials over the investigation of the deaths of 19 American airmen could turn out to be healthy. American officials usually go on tiptoe in matters involving the royal family, in deference to the style it has chosen for its survival. But Saudi officials had stymied direct American access to witnesses of the Dhahran bombing. This put Washington in the untenable position of being unable to discharge its obligation of inquiry to men who died while serving their country. Saudi acknowledgment of this prime requirement in a democratic society would help clear the air.

Unfortunately, the Saudis seem still to be marching to a different drummer. The U.S. purpose is to find out the facts. The Saudi purpose appears to be to promote a particular theory — that Iran sponsored a few Saudi Shiite terrorists. Officials are reluctant to grant that the deed may have been done by home-grown religious conservatives opposed to the Saudi-American connection.

The matter might be left unresolved if events were not carrying Saudi Arabia and the United States into ever closer mutual engagement. The United States, slow to conserve energy, needs more and more Saudi oil. The Saudis need U.S. patronage and protection. Even when they undertake a more independent policy — for their own defense, for instance — they do so in increasing reliance on Washington — on its technology, spare parts, bases, arms and political will. That is how those 19 Americans came to be in Dhahran.

But American technology, culture and military presence offend the Saudi religious right.

Saudi Arabia is now reportedly eyeing the purchase of 102 advanced F-16 American warplanes. Assume that this $5 billion to $15 billion package survives its premature disclosure. It will intensify a gathering internal debate over foreign orientation, budgetary priorities and even military priorities. Already this debate has given international topicality to whether the royal family will retain adequate legitimacy and whether Saudi Arabia itself may be treading the path of the shah's Iran.

The United States has a long friendship of convenience with Saudi Arabia. Its continuance remains a major interest of both countries. But circumstances require more clarity and candor from Saudi Arabia as well as the United States in working out their complex tie in newly trying times.

— THE WASHINGTON POST.

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Plotting a Course on the Globalization Graph

By Thomas L. Friedman

DAVOS, Switzerland — The Times Mexico correspondent, Julia Preston, recently told me an intriguing story about the Zapatista guerrillas, the peasant group that has been fighting the effects of free trade and globalization on Mexico. Last year, the Zapatistas held a convention in the jungles of southern Mexico, entitled "The Intercontinental Forum in Favor of Humanity and Against Neo-Liberalism." The closing session met in a steamy, mudhole amphitheater and was led by Zapatista leader "Subcommander Marcos" — a Mexican combination of Robin Hood and Ralph Nader. The session ended with the Zapatistas doing a kind of drumroll and announcing the most evil, dangerous institution in the world today. To a standing ovation, the Zapatistas declared the biggest enemy of mankind to be the WTO — the World Trade Organization in Geneva, which promotes global free trade.

It's not surprising that the Zapatistas figured out that the WTO was the embodiment of globalization and was having a huge impact on their lives and jobs. What's interesting is how many serious scholars recently have joined the Zapatistas in asking whether globalization — the integration of trade, finance and information that is creating a single global market and culture — is a threat to humanity or its salvation and whether it's inexorable or can be rolled back.

Just last month you have George Soros's essay in The Atlantic Monthly entitled "The Capitalist Threat," in which the financier argues that the spread of brutal global capitalism has replaced communism as the main threat to democratic societies. You have William Greider's new book, "One World, Ready or Not: The Manic Logic of Global Capitalism." You have a provocative essay by Harvard's Dani Rodrick, published by the Institute for International Economics: "Has Globalization Gone Too Far?" And you have a counterattack by Deputy Treasury Secretary Lawrence Summers, whose latest speech, "Integrating National Economies," argues that economic integration promotes stability and prosperity, and that we shouldn't give in to the "separatists."

This is becoming one of *the* most important foreign policy debates (and was a hot topic at this year's Davos World Economic Forum). Now, some of these writings are misleading — those that suggest globalization can be stopped. It can't. It's inevitable.

But while it can't be stopped there are two things that can be done to it: We can go faster or slower — that is, we can sign more or fewer free-trade agreements. And we can do more or less to cushion the negatives of globalization — that is, we can strengthen or shrink our social safety nets to help the losers, and we can invest more or less in educating our people to take advantage of globalization.

If you want to know who you are in this debate, draw one line going from east to west. On one extreme are the *separatists*, those who want to shut down globalization and economic integration, and at the other end are the *integrationists*, those who believe globalization is not only inevitable but good and want to sign more free-trade deals until we have global free trade from east to west.

Then draw a second line from north to south. At the south end are those who believe the state should take total care of the losers from globalization, with everything from Social Security retirement benefits and health care to training programs. These are the *safety-netters*. At the north end are those who believe the essence of globalization is Darwinian economic competition, and the winners should take all and the losers should take care of themselves. These are the *let-them-eat-cakers*.

This handy matrix explains politics today: Bill Clinton is an integrationist/safety-netter. Newt Gingrich is an integrationist/let-them-eat-caker. Ross Perot is a separatist/let-them-eat-caker and the Zapatistas are separatists/safety-netters. This explains why Mr. Clinton can align with Mr. Gingrich on NAFTA but oppose him on Social Security reform, or why Mr. Perot and Subcommander Marcos are allies on NAFTA and opponents on everything else. So forget the political labels hawk and dove, left and right. That's oldspeak. Put yourself in this matrix and find out who you are, and who your allies are, in the next great foreign policy debate.

The New York Times.

A Quest for Dignity: Understanding China Through Its Art

By Jim Hoagland

WASHINGTON — Madeleine Albright is to go to China later this month on her first trip abroad as secretary of state. The best way she can prepare for Beijing would be to spend a quiet afternoon at the National Gallery of Art in Washington.

A visit to the gallery's "Splendors of Imperial China" exhibition could provide Mrs. Albright with insights into fundamental cultural and political truths about China that do not surface in the closed-door briefings given by the usual China scholars and experts convoked by her predecessors.

The experts will tell Mrs. Albright things she already knows: how important the Chinese relationship is, how sensitive the Leninist oligarchy of the world's most populous nation is to criticism, how Washington must defer to Beijing's uncertain transition and emergence as a world power.

"The views of top American academics and policy experts on China are so monolithic and predictable that those seminars have become pointless," says a U.S. official who has observed the process with growing despair. "It goes way beyond clientitis, or conventional wisdom."

The Economist magazine recently echoed this view in an article that suggested the China experts also have an extraordinary record of being wrong. It pointed to the self-confessed "sentimental Sinophilia" of the late John Fairbank, "the most famous Western pundit on China," who lived to regret his 1972 declaration that the Maoist revolution was "the best thing" that had happened to the Chinese people in many centuries.

Gerald Segal of the Institute for Strategic Studies, a dissident in the expert ranks, was quoted listing other dismal miscalculations by "the priesthood" about China's intervention in Korea, its murderous agricultural policies and the national devastation caused by the Cultural Revolution.

The treasures on display at the National Gallery survived that upheaval unscathed because they were brought from Beijing's Forbidden City to Taiwan by Chiang Kai-shek in 1948 and placed in the National Palace Museum.

Continuing rivalry between Taiwan and the mainland has nothing to do with the larger political truths that infuse this collection of 450 ink paintings and calligraphy, jades and bronzes, porcelains and landscape scrolls. It is the centrality and durability of art in Chinese life, and its role in governance, that is highlighted by these treasures.

On these scrolls Chinese art unfolds progressively, revealing an unending search for moral order in a chaotic universe. Calligraphy is both "a revered art form" and a political instrument for the Chinese, according to the exhibit's catalogue:

"One of the most significant outgrowths of the political unification of China" 2,000 years ago "was the standardization of the written language." Calligraphy became "a key source of cultural identity." Skill in this visual poetry became an essential qualification of the scholar-officials who molded Chinese society.

China's bureaucrats, and some of its emperors, were also skilled artists and intellectuals. They made form as important as content, in poetry and politics. They helped create or embellish an art that exists outside the linear frames of Western painting — "an art of space," in the phrase of Simon Leys, a former Belgian diplomat who served in Beijing.

"The Chinese actually possess one more art" than does the West, Mr. Leys wrote last year in The New York Review of Books when this exhibition opened in New York. In Chinese history, "the written word possessed the power of ordering the cosmos and of generating reality." This script conveys meaning beyond language.

A quest for order and for dignity, and a revulsion against corruption, are the central themes of the exhibition's works that I found most powerful. They echo in visual form the conversations I had with student demonstrators in Beijing's Tiananmen Square in May 1989.

The students began those demonstrations seeking an apology from Deng Xiaoping's dictatorship for having maligned their patriotism in the official press. They gradually expanded their concerns to official corruption (which has skyrocketed since then) and the lack of democracy in China. But their essential demand remained a return to decency and dignity by their rulers.

Instead, the regime murdered many of the students and their supporters on June 4, 1989.

Even as astute an observer as former Secretary of Defense William Perry has let time obscure the true meaning of the demonstrations. When I asked him in a recent interview to describe what the demonstrations had been about, he responded by reciting (although not endorsing) the regime's claim that it had to crack down on dangerous revolutionaries.

These art treasures show that the students' values were more in keeping with traditional Chinese society than are those of Mr. Deng and his henchmen, who will soon play host to Mrs. Albright.

Visiting and understanding this exhibition will help her not be taken in by the experts who say that "Asian values" make democracy and commercial honesty unattainable options for Chinese society today. The National Gallery exhibit punctures those arguments.

Mrs. Albright took office promising to "tell it like it is." She thus set for herself a high standard of truth-telling. But she promptly retreated behind a verbal smoke screen about "multifaceted relationships" the first time she was asked about China by the press. She owes the people of China and their traditional standards — as well as her own, recent self-proclaimed standard — better than that.

The Washington Post.

Emphasis Must Be Put on Forging a NATO-Russian Charter

By Frederick Bonnart

BRUSSELS — NATO's plans for the eastward spread of stability are under pressure. The enlargement process is moving forward inexorably, but Russia remains as inexorably opposed to it.

The hoped-for prior agreement for a formal NATO-Russia relationship is still outstanding. Although allied officials repeatedly stress that the two are not linked, it is clear that they must develop simultaneously to achieve the declared aim of a stable Europe.

The timetable for enlargement is fixed and the process has reached the stage of no return. Repeated encouragement from top allied leaders has all but assured at least three candidate countries — the Czech Republic, Hungary and Poland — that they will be invited to join. Any reversal, such as nonratification by the Parliament of a member country, would cause a powerful reaction within them that could impede their progress to democracy and European integration; it could also seriously unbalance the present security situation. Of this, the Russian political establishment is well aware.

Yet the other part of this equation is still not solved.

NATO's offer in December 1994 of an enhanced consultation mechanism was never taken up by Russia, and subsequent attempts to persuade Russia to define its requirements have been unsuccessful. The enlargement timetable now presents Russia with a window of opportunity for establishing its post-Cold War world position that it should use before it closes.

The window was opened by NATO when, in its first-ever international negotiation as an organization, it mandated Secretary-General Javier Solana Madariaga to speak for it. His visit to Moscow last month was a big step forward. Although on substantive issues a large gap continues to exist, he obtained a Russian response to NATO proposals. As a result, a negotiating process with agreed-upon dates and subjects is now under way.

It will require courage and imagination by both parties. NATO will have to open up a part of its decision-making mechanism to Russia, and Russia will have to make clear to its population that it cannot have a veto over alliance decisions.

A certain power imbalance cannot therefore be excluded, but initially the aim is common: the definition of a relationship in which Russia is, and is seen to be, an important and active partner in major decisions on European security matters.

Clearly, no nonmember of the alliance can be allowed a say on Article 5, common defense, matters. However, for the foreseeable future, NATO's military operations are likely to be peacekeeping or peacemaking actions. In these, as in Bosnia, nonmembers can and do participate. Russia could play an important part, not only because of its size, latent power and ambition, but because it could make a valuable contribution to alliance efforts. In the Balkans, Russia's voice is likely to have a powerful effect on traditional allies, and common efforts can achieve difficult objectives; the present Contact Group on Bosnia provides a good example.

In peacekeeping, common military action is not only possible but desirable; cooperation with the Russian brigade in Bosnia was outstandingly successful. Plans for action in such fields could be made without adopting a prior NATO position.

In the original 16-plus-one forum, NATO undertook the analysis process, came to a decision and then invited Russia to consultations. The system evolved, and extended exchanges of views now take place at different levels, sometimes before a NATO decision. But while the mechanism enhances transparency, and hence establishes confidence, it does not provide Russia with a say in the final decision.

A new method would see the analysis process carried through to arrive at agreed-upon decisions by 17. NATO could work out a schedule of situations in which such cooperative action is possible. This could range from concepts and planning for peacekeeping operations, including contingency plans; to training and exercises for such actions; as well as to related equipment and administrative arrangements. In any such future NATO operation, Russia could be automatically included in the process from the beginning.

This method would require the permanent presence in the organization of a number of Russian officials and military staff officers. These would operate at NATO in Brussels as well as in the headquarters of the military structure. It would mean a parallel organization, not completely part of NATO but closely linked to it.

The deal would have to extend further. Russia would have to ratify START-2, and moves would have to be made toward START-3.

Transparency in military budgets, planning and force deployment would have to be mutual. In turn, NATO would have to show flexibility at the negotiations for the amended European force reduction agreement. Also, although the organization cannot irrevocably commit itself on nondeployment of nuclear and conventional forces or infrastructure extensions into any new member country, it can codify their present intended limits.

This should provide sufficient guarantees to both sides for an agreement to be reached. Together with a schedule for common action, a basis would exist for a formal NATO-Russia charter, signed for the alliance by its heads of state or government.

Russia would then be, and be seen to be, in a position of power and responsibility in the European security architecture. It could be an important step in a stable and harmonious European security relationship.

International Herald Tribune.

The Nuclear Nightmare

THE FACT IS that although the Cold War is over, the nuclear posture it spawned is not. President Bill Clinton boasts that missiles have been retargeted and are no longer trained on children. But the targeting, which is almost instantly reversible anyway, is the least of it. The United States and Russia maintain strategic nuclear forces at reduced but still great Cold War levels. The man with the "football," the signals that unleash Armageddon, still stays 24 hours a day at the heel of the two presidents.

Add to this the new peril that has risen in Russia since the Cold War ended — the risk of an accidental or unauthorized launch or theft of a weapon as a result of the frightful societal indiscipline — and you have plenty to be anxious about.

So far in the '90s, nonetheless, the hot missiles in the political bazaar are those that might end up in the unfriendly hands of the international rogues — Iraq, Iran, North Korea. This specter put America on a track to a missile defense.

But there is no matching concern for missiles that are already in the friendly hands of the United States and Russia. The first-term Clinton review of American nuclear posture, says the Reagan defense aide Fred Ikle, "did not go far enough in moving away from mutual assured destruction principles."

Hence the nightmare scenario of an accidental Russian launch that, under prevailing American doctrine, would trigger a first strike or quick second strike aimed at a full range of Russian military targets. Since Russian missiles are similarly postured, the Henry L. Stimson Center reports, "an accidental Russian launch could trigger an overwhelming and unnecessary disaster for both countries."

Against this remote but imaginable contingency, the much-cited dangers of a rogue missile attack begin to be reduced to size. A rogue attack would presumably involve only a missile or two; an accidental Russian launch, hundreds if not thousands. There is a chance of deterring a rogue launch by a threat of nuclear response, but by definition an accidental launch cannot be deterred.

Enough has been learned since the Soviet Union disintegrated to warrant a deeper nuclear posture review.

The first goal would be to take crisis decisions off automatic in doctrine and machinery so as to give policymakers time to make a considered response to nuclear attack. The second would be to reduce the numbers of weapons in arsenals on both sides.

Mr. Ikle argues that NATO should go to a "no first use" nuclear policy. Instead of maintaining an obsolete nuclear deterrence against a no longer conceivable conventional attack in Europe, the alliance should firm up deterrence and make proliferation "less interesting to the proliferators" by making credible preparations to punish a rogue state's first use.

— Stephen S. Rosenfeld, commenting in The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Cretan Clashes

ATHENS — The situation in Canea is extremely grave. Armed Christian bands are swarming down from the higher villages and are engaging in constant skirmishes with the Mussulman bands. Unremitting firing is heard in the town, where a panic reigns. The Christian population are shut up in their houses and shops. The Mussulmans are preparing a general assault, but fear the approach of outside bands. M. Markoulakis, a Christian judge, was killed in the streets. Crete is manifestly on the verge of fresh insurrection.

1922: Denying Darwin

LEXINGTON — The whole of the State of Kentucky is deeply stirred at the action of the State Senate in giving serious consideration to a Bill that forbids the teaching of the Darwinian evolution theory in any schools or colleges receiving funds from the State Treasury. Educators throughout the country are united in their support of President Frank L. McElvey, of Kentucky University, who is leading the fight against the measure.

1947: The 'New Mafia'

PALERMO — Sicilian Communists — local leaders in the movement to break up the great estates — charge that "Mafia assassins" are responsible for the deaths of seven labor leaders in Sicily "in a campaign of murder to prevent land reform." "The New Mafia," as it is now known in Sicily, is under the orders of men who came back rich from America, settled down quietly to wait Fascism out, and then assumed leadership in the new organization. They advocate the independence of Sicily, which could then be ruled completely by the New Mafia.

LANGUAGE

The Tribulations of Quotidian Life

By William Safire

WASHINGTON — "Amid the quotidian trials of suburban life," wrote Newsweek in appreciation of Erma Bombeck, "she found a way to make us laugh."

Paradoxically, *quotidian* is just the sort of word that the late humorist would never use. She dispensed simple wisdom in plain style: "Never go to a doctor whose office plants have died." Highfalutin language was not in her.

Quotidian is a highbrow word for "ordinary, humdrum, routine." The best synonym for that Sunday word is "everyday," but many writers shy away from such a commonplace word. The Latin roots of *quotidian* are *quotus*, "of what number," and *dies*, "day." Other words from the Latin *quotus* include *quote*, *quotient*, and the infamous *quota*.

"School uniforms, the evils of tobacco, and the mindless dreck on television," wrote Michael Elliott in The Washington Post, are the "*quotidian* issues" engaging so many of us today. (*Dreck*, first cited in print by James Joyce in "Ulysses," is a Yiddish word that today is euphemized as "rubbish, nonsense, junk.") In The New York Times, Trip Gabriel noted that Bill Gates of Microsoft foresees a future in which people equipped with pocket PCs will no longer need "*quotidian* encumbrances" like money, identification, or a watch.

□

The word is hot, and when a word beginning with *qu* gets hot, ordinary readers — *quotidian* types — need to brace for it. Just look at the rise of *quantum*. That word, from the Latin for "how much," was legalese for "amount" in English law courts for centuries. Then along came Max Planck and Albert Einstein with a theory of matter and energy that later became *quantum* mechanics and *quantum field theory*, about the uncertain way atoms and molecules work.

When did *quantum* begin leaping and jumping? More to the point, when did *quantum* gain the metaphorical sense showing a "sudden, significant increase"? On Dec. 3, 1970: "The ability of marine technology," wrote Tony Loftas, the marine correspondent for New Scientist magazine of London, "to take *quantum* leaps in innovation means that a laissez-faire approach to ocean mineral resources can no longer be tolerated."

Every time I use *quantum jump* to mean "giant step" or "radical increase," nuclear physicists wearily write to point out how illogical the phrase is — that in their teeny-tiny atomic universe, the change is so small as to be hardly observable. But what do physicists know from semantics? The phrase means what laymen take it to mean, and we think of it as one whopping lurch into a new order of magnitude.

When Professor Alan Sokal of New York University parodied literary theorists in an unsuspecting academic journal, he subtitled his spoof "Toward a Transformative Hermeneutics of *Quantum* Gravity," illustrating the vague voguishness of *quantum*. And when The Wall Street Journal reported recently on the disappointing record of the financier George Soros's *Quantum* Fund, the headline chosen was the punning "*Quantum* Fund: No Leap."

We're not out of the Q Soup yet. "The Museo Archaeologico is a gem of a collection," wrote Glenn Collins of The New York Times, "housed in a *building that is a copy of a quondam* temple." Is a *quondam* temple the *latest place for a campaign fund raiser*? No; the word comes from the Latin *quom*, "when," and means "former, previous, onetime, erstwhile." (My personal favorite in this nexus of nostalgia, "*whilom*," is archaic.)

Some years back, Milton Lewis, a former colleague of mine at the old New York Herald Tribune, expressed his irk at my too-frequent use of the verb *aver* in one of these columns, and identified himself under his signature as "Quondam, N.Y. Herald Tribune." When his note was included in a collection of these language columns, and came out signed "Milton Lewis, Quondam, N.Y.," he wrote again to ask, "As a *quondam* New Yorker, can you please tell me where 'Quondam, N.Y.' might be?" Ain't no such place, except in a former life.

□

In the queuing-up sweepstakes, there is a final entry, though the *qu* sound is spelled more logically. The New York Times's Maureen Dowd, a *quondam* reporter who is now anything but a *quotidian* columnist, took a quantum jump into political sociology with an article justifying the return of debutante cotillions among the White Anglo-Saxon Protestant community: "*If there is Kwanzaa, why not* cotillions?"

Kwanzaa, according to an Internet site specializing in the subject, is a seven-day, post-Christmas, post-Hanukkah, nonreligious African-American holiday "formulated, devised, developed, and initiated by Dr. Maulana Ron Karenga on Dec. 26, 1966" to celebrate the black cultural heritage and spirituality in the black family.

In Clarence Major's 1994 dictionary of African-American slang, Juba to Jive, *Kwanzaa* is defined as a Swahili word meaning "first fruit." Another Swahili word with the *qu* sound used by celebrants is *kwaheri*, a farewell expressed with the expectancy of meeting again, a happy note on which to conclude today's column.

New York Times Service

INTERNATIONAL



The Associated Press

BEAKED, BEACHED AND PEAKED — Two beaked whales that landed on a Sydney beach being tended to by lifeguards and Australian wildlife officers. Rescuers planned to transport the stranded pair, believed to be a mother and calf, back to the water after they rested from the trauma of being washed ashore.

IRAN: *Tehran Says It Received $5 Billion in Loan Guarantees*

Continued from Page 1

The European and Japanese government-backed loan guarantees that Mr. Nourbakhch said had been obtained in the last six months do not technically violate U.S. sanctions because they are in the form of government-to-government commitments rather than direct foreign investment by companies in oil and gas projects. U.S. officials in Davos declined to comment on the Iranian bank chief's assertions.

Mr. Nourbakhch conceded that U.S. pressure on its allies, especially Germany, to reduce its trade with Iran, had been a problem for his government. But he said the problem had been overcome as many companies from Germany and other European nations were now eager to do business in Iran.

"Our main purpose here is to explain our economic situation, especially in relation to sanctions," Mr. Nourbakhch said, referring to his presence at the annual World Economic Forum in Davos. "We try to assure businessmen that finally we are on the right track and despite all the U.S. pressure we are succeeding in re-opening credit lines from government insurance-backed programs."

Mr. Nourbakhch, a former finance minister who is two years into his second term running the central bank, said U.S. sanctions had caused Iranian inflation to jump to a high of 60 percent in 1995 before declining to a current rate of less than 20 percent.

Outside observers have said that Iran in recent years has gone through an economic crisis because of high inflation, a heavy foreign debt burden, and a large current account deficit. Mr. Nourbakhch said Iran's current account in 1996 had a surplus of nearly $4 billion, compared to a deficit of more than $6 billion in 1992.

He said that Iran's budget deficit used to be 4 percent of gross domestic product, but was now just 0.2 percent.

The Iranian central bank chief admitted that a big problem had been volatility in Tehran's exchange rate.

"In 1995 there was tremendous pressure on our currency, and it was deeply depreciated, to around 5,000 rials to the dollar. But we have fixed it at 3,000 rials to the dollar, and that has helped," Mr. Nourbakhch said. He said the fixed exchange rate had helped in the battle against inflation.

Mr. Nourbakhch indicated that he was proudest of what he claimed was Tehran's success in restructuring $22 billion of external debt, owed mostly for export credits from government-backed programs. In 1993, he said, 76.1 percent of this debt and arrears was short-term, meaning it would come due in 12 months. But at present, he said, the short-term portion had been reduced to just 20.7 percent of the $22 billion of debt.

Mr. Nourbakhch said Iran was most grateful to its trading partners, and especially Germany and Japan, each of which accounted for 20 percent of the money owed by Tehran. Loan guarantees from Italy and France represented 15 percent and 10 percent respectively of the $22 billion debt burden, he said.

The central bank governor offered Tehran's traditional denial of all U.S. allegations that it supports Hamas and other terrorist groups operating in the Middle East and elsewhere.

"We are not involved in any terrorism activities," he said, adding, "We think we are victims of terrorism because Washington supports opposition groups."

CIA: *Lake Lobbies the 'Inside Crowd' in Bid for Intelligence Job*

Continued from Page 1

Alabama, who will chair the Select Committee on Intelligence hearing on Mr. Lake, now scheduled for Feb. 25, has not yet declared whether he intends to oppose him. But in a television interview Friday he said, "I would question whether or not Lake was the best nominee for the job right now for the CIA." He added, "He brings a lot of controversy" and "we don't need that at this time or any time" at the CIA.

Mr. Shelby already has twice postponed the confirmation hearing. The committee is waiting for the results of a Justice Department inquiry of Mr. Lake's failure to sell certain stocks, in alleged violation of ethics rules, and of apparent inconsistencies in congressional testimony by him and other administration officials on Iranian weapons sales to Bosnia.

Meanwhile, Republican aides are closely examining the advice Mr. Lake gave Mr. Clinton over the past four years, while serving as the president's national security adviser, on a half-dozen controversial foreign policy matters, from the U.S. interventions in Bosnia and Somalia to Mr. Lake's handling of CIA reports on Chinese missile exports to Pakistan.

To win approval for his nomination, Mr. Lake and his former colleagues in the White House have aimed their sales pitch in part at influential lawmakers such as Senator John McCain, Republican of Arizona, and John Warner, Republican of Virginia, and at current and retired CIA employees. As one official said, gaining the support of "the inside crowd is just as important as the outside crowd" because CIA veterans are a generally tight-knit clique with unusual access to conservative lawmakers on Capitol Hill.

Mr. Lake has met, for example, with nearly every former CIA director to solicit their views about needed intelligence reforms. He also has met individually with almost all of the members of the Senate committee in an effort to quash what he has privately described as a series of "myths" being spread about his former ties to liberal causes and institutions that were critical of the CIA and its activities.

He has repeatedly denied, for example, allegations by opponents and conservative publications that he was once affiliated with Washington's Institute for Policy Studies, a think tank heavily populated by critics of the CIA's involvement in Central America, or that he helped set up a purported offshoot known as the Center for National Security Studies, which challenged many CIA covert actions. Mr. Lake has said he merely delivered a lecture to a gathering at the Institute for Policy Studies.

These false ideas, said one White House official, are being circulated by "the real right wing that hates the president." The official said these are "people who are paranoid about liberal infiltration of the intelligence community." He added, "They think he's a leftist pinko."

One of the most striking aspects of the lobbying effort is Mr. Lake's assiduous courting of current and retired officials of the CIA's clandestine wing and their supporters, some of whom are openly critical of Mr. Lake on ideological grounds alone. They cite, for example, that he resigned from the Nixon administration to protest the bombing of Cambodia during the Vietnam War and later headed the policy planning staff at the State Department under President Jimmy Carter, where he supported arms agreements with the Soviet Union and helped elevate human rights as a diplomatic priority.

Also, while teaching international relations at Mount Holyoke College, Mr. Lake published books that included criticism of the former CIA director William Casey and referred to the ill effects of "destabilizing CIA interventions" in Chile and other countries.

"He is," said one retired senior intelligence professional, "simply too damn liberal to have the job" of CIA director, a position that this veteran claimed historically has gone to officials who favor a more hard-line, self-interested approach to U.S. policy-making.

BOOKS

LE DIVORCE

By Diane Johnson. 309 pages. $23.95. A William Abrahams Book/Dutton.

Reviewed by
Christopher Lehman-Haupt

PARANOIA and cultural disorientation are the staple ingredients of Diane Johnson's fiction ("The Shadow Knows," "Persian Nights," "Health and Happiness," among other books).

She mixes them well in her latest novel, "Le Divorce," the events of which are set off when Roxeanne de Persand, a Californian living in Paris, learns that her French husband is leaving her shortly after having made her pregnant with their second child.

Although the husband, Charles-Henri, takes up with another woman and asks for a divorce, the couple's respective parents try to keep up cordial relations in the interests of their grandchildren. The strain of their effort will produce both comedy and catastrophe, as well as an acute portrait of French-American cultural conflict.

The story is narrated by Roxy's stepsister, Isabel Walker, a film-school dropout who is good at describing scenes but doesn't always catch on to what they're really about. Isabel has been sent to Paris from Santa Barbara to keep an eye on Roxy and baby-sit her 3-year-old during the pregnancy.

Although Isabel does her duty, she also amuses herself. She takes on a series of odd jobs with members of Paris's American community. And she starts an affair with Charles-Henri's elderly uncle, Edgar Cosset, formerly a member of the Chamber of Deputies and still an influential voice on the French national scene.

Considered the beautiful but dumb kid sister, Isabel is avid to improve herself, endlessly inquisitive about French manners and full of shrewd instincts. Before taking up with Uncle Edgar she refines her pickup technique: "If I do up my hair and wear my glasses, the men will be subtly more prosperous-looking — smooth businessmen and visiting Germans. If I wear a scarf around my neck, I will be taken for a French girl. Scarf, no scarf, hair up or down. Thus, controlling my destiny, I made the acquaintance of two attractive men."

One catalyst of Johnson's story is an old painting of St. Ursula, the virgin martyr, in Roxy's living room that she got from her stepfather (Isabel's father) and gave to her husband as a wedding present. Once thought to be worthless, the painting has lately attracted interest as possibly being the work of a student of Georges de La Tour, and has even been requested for an exhibition loan by the Getty Museum.

While Charles-Henri has renounced the painting in his divorce request, his family politely suggests that perhaps it ought not be sent to the Getty until the divorce is resolved. "It is a French picture, after all," says Charles-Henri's mother when Isabel appeals to her on Roxy's behalf. As estimates of the painting's value rise (it may even have been done by La Tour himself!), so, too, does the covetousness of family members on both sides.

As the tension mounts, the plot veers into melodrama that seems a bit outsize for the scale of the events that lead to it. Where Johnson never loses her touch is in tracking Isabel's romance with the French. At a crucial point in the story she finds that her relentless study of the language has finally paid off: "I understood what people were saying in the Metro."

She continues: "It was something of a disappointment to discover that all those words, so alluringly expressed in dramatic, unintelligible and unreproducible sounds, organized themselves into banalities one might hear on the bus in Santa Barbara (if one took buses there). But the pleasure of being in on it, at last, initiated, thrilled me all the same. From then on I eavesdropped like a spy."

Isabel eavesdrops like a spy and penetrates the culture more and more deeply. But the question posed so wittily by "Le Divorce" is whether Isabel is listening to banalities or embodying them. Is she an American spy or a French one? Her eagerness to connect leaves one to wonder, in her search for an identity, which culture has Isabel finally divorced?

Christopher Lehman-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

SOME of the most interesting defensive moves are those that sever the opponents' communications, and the diagramed deal from the International Team Trials is a case in point.

West was Seymon Deutsch and he led the club two against the opposing contract of three no-trump. Dummy played low, and East's ten was captured by the king.

South led the heart king, and when West won with the ace East signaled with the seven of diamonds. West accordingly shifted to a diamond. South captured the ten with the king and led a low heart. West won with the jack and the moment of truth arrived in the position shown at right:

NORTH
♠ A K Q 8 5 3
♡ 10 6
◇ 9 8
♣ Q 7 3

WEST
♠ J 9
♡ A J 8 5 2
◇ 4 3 2
♣ J 5 2

EAST
♠ 10 7 6 2
♡ —
◇ Q J 10 7 5
♣ A 10 8 4

SOUTH (D)
♠ 4
♡ K Q 9 7 4 3
◇ A K 6
♣ K 9 6

Neither side was vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	1 ♠	Pass
2 ♡	Pass	3 ♣	Pass
3 N.T.	Pass	Pass	Pass

West led the club two.

After a routine diamond play from West, South would have won and cashed two heart winners with decisive effect. This would have been a triple squeeze without the count, and the best East would have been able to do was to bare his club ace and throw another diamond. South would then have ducked a club to establish the ninth trick that the needed.

Instead Deutsch shifted to the spade jack, removing South's vital link to the dummy, and South could not make more than eight tricks.

NORTH
♠ A K Q 8 5 3
♡ —
◇ 9
♣ Q 7

WEST
♠ J 9
♡ 8 5 2
◇ 3 2
♣ J 5

EAST
♠ 10 7 6 2
♡ —
◇ Q J 5
♣ A 6

SOUTH
♠ 4
♡ Q 9 7 4
◇ A 8
♣ 9 8

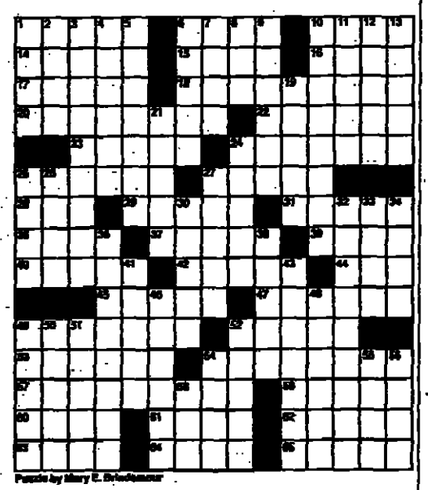
CROSSWORD

ACROSS

1 Ravioli base
6 Numbered hwys.
10 Nicholas was one
14 Sour
15 The Emerald Isle
16 "What's ——— you?"
17 18-wheelers
18 Communication means for computer-phobes
20 Grotesque imitation
22 Eat like a rabbit
23 Trees with cones
24 Tries again
25 Cornell's home
27 Passover event
28 Spanish gold
29 Moral principle
31 Convened again
35 Eggheady sort
37 "Cheers!" in Cherbourg
39 Dumb ——— (scatterbrain)
40 Length of yarn
42 Spud
44 Q-U link
45 Agrees (with)
47 Bang and buzz, e.g.
49 Graphed
52 "Lorna ———" (1869 romance)
53 Reddish brown
54 Comes to light
57 Communication means at the office
59 Eat away
60 Once, once
61 Blue-pencil
62 "The Thinker" creator
63 Henna and others
64 Old newspaper section
65 Sugary

DOWN

1 Auld lang syne, with "the"
2 Perfect server
3 Communication means at sea
4 "Jeopardy!" staple
5 " ——— makes the heart . . ."
6 Takes five
7 Minuscule
8 Period of history
9 Trawled
10 Having trees
11 Knifes
12 Like Pisa's tower
13 Parts
19 Pepsi bottle size
21 Train reservations
24 Split the cards again
26 Charged particles
28 "Star ———"
27 "——— Manner"
30 More than disliked
32 Communication means for emergencies
33 Language spoken in Dingwall
34 Does lacework
36 Upsets
38 José Carreras, for one
41 British fertilizer
43 Ones at the top of their business?
46 Stapleton Airport site
48 Lined up
49 Pent up
50 "Faster!"
51 Belittle
52 Because of
54 Tizzy
55 Actress McClurg
56 Paved
58 Bachelor's last words



Puzzle by Mary E. Brieadamour

Solution to Puzzle of Jan. 31

U	Z	B	E	K	I	S	T	A	N		O	N	A	N
M	A	R	C	A	N	T	O	N	Y		D	O	M	I
B	L	E	U	C	H	E	E	S	E		E	V	E	N
R	E	A		H	A	M		E	T	C		O	R	E
A	S	K	S	I	N		A	L	S	O		C	I	S
		A	N	D	R	E	A		A	B	A	C	I	
O	A	N	D	A		A	D	D		T	R	I	A	D
U	S	E	D			V	I	A			A	N	N	E
A	J	D	E	D		E	L	M		S	N	E	A	D
S	A	B	R	E		R	E	S	T	E	D			
I	M	E		A	L	E	S		H	A	T	E	R	S
M	I	A		N	A	V		E	E	L		C	A	L
O	N	T	Y		P	I	E	A	L	A	M	O	O	E
D	O	T	E		P	E	R	S	O	N	A	L	A	D
O	R	Y	X		S	W	E	E	T	E	N	E	R	S

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CAREERS

Web-Savvy Workers Snag Top Salaries as Firms Race to Set Up Sites

By Barbara B. Buchholz
New York Times Service

Companies are still struggling to find ways to profit from the Internet, but many people who set up and run corporate Web sites are not having the same problem.

As the number of sites on the World Wide Web has tripled to 300,000 since last year, demand for people to manage corporate sites has far outstripped the supply. Companies have been recruiting computer-savvy workers right out of college and, in some cases, high school. Some positions come with salaries higher than those paid for comparable jobs in other computer fields.

The Software Publishers Association says a computer graphics artist makes an average salary of $36,400 and a programmer $42,600.

But a recent survey by Buck Consultants, an employee-benefits and compensation-consulting firm in New York, found that the same jobs, when Web-related, were paying $46,600 and $46,200, respectively.

Salaries are continuing to rise as more companies scramble to open Web sites — and what better place to find qualified workers than at the Web sites and graphics departments of other companies?

Brian Paris was a graphics designer at an insurance brokerage firm when the Web came knocking. He now manages the Web site at Maxwell Architects in Nashville, Tennessee; the new job has increased his salary 20 percent, to more than $40,000.

Graphical Business Systems, an Elmhurst, Illinois, company that develops Web sites, lost two of its eight programmers in December.

One began his own Internet company; the other moved to an executive-recruiting firm to manage its site for more than $60,000 a year, a 30 percent increase over his previous salary.

Recently, another programmer, Craig Huber, changed his mind about leaving after the company said it would give him a percentage of his billings. That could raise his salary 40 percent, to more than $60,000.

"You're constantly recruiting," said John Kilcullen, business development manager at Graphical Business Systems. "You find people with the right skills, call them back, and they're gone."

Fruit of the Loom Inc., a clothing company, hired 15 people for its Web site in 1995 and lost two of them to other companies within two months.

"Retaining them has been difficult," said Glenn Banfield, director of electronic commerce at the company.

The Weather Channel in Atlanta had trouble finding more Web workers last year when it expanded its site. After unsuccessfully looking for 30 people with the right skills, it hired people from a variety of backgrounds and then trained them itself.

The jobs have salaries ranging from $25,000 for Web customer service representatives to $100,000 for the new manager of Web operations.

A director of on-line business typically has 10 to 15 years of corporate experience and has come up through a company's marketing or information services department; a Web programmer, on the other hand, may have no corporate experience but will be fluent in several programming languages, said Paul Gavejian, a principal at Buck Consultants.

Most in demand are workers with extensive advertising or direct-mail experience, said Bob Chatham, senior analyst at Forrester Research, a computer-industry consulting firm in Cambridge, Massachusetts.

"What you need to make a Web site successful is to get customers there and keep them there," he said. "That requires workers with hybrid skills."

When Greg Siskind, author of "The Lawyer's Guide to Marketing on the Internet" (American Bar Association, 1996, $64.95), founded an immigration law firm in Nashville, Tennessee, two years ago, he wanted to set up a one-page Web site. But he did the work himself.

"There was no consulting industry to tap," he said.

As the site grew, he hired two lawyers who also had Web skills to design and manage the site.

"We were seeking two things: lawyers knowledgeable about immigration law and attorneys who were Internet-savvy and could help with all the traffic on our Web site," Mr. Siskind said. "We were willing to make them partners right away to reward and keep them."

Freelancers can profit, too.

Brent Brotine left a Chicago advertising agency three years ago to start his own communications firm. He writes the content for Web sites of several banks, insurance companies and mutual funds. Although he would not disclose his income, he said it had risen about 50 percent since he left the ad agency.

How long can the boom last? At least five years, predicted Josh Bernoff of Forrester Research.

"The industry is where television was in 1952," he said, "in its infancy."

Others are more skeptical, saying companies may begin to abandon Web sites if they fail to lead to increased sales. "It's the Gold Rush of the '90s," said Alan Johnson, a compensation consultant in New York, "but don't be shocked if it doesn't work out."

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Europe's Future Central Bank: More Than an Inflation-Fighter

By Tom Buerkle
International Herald Tribune

BRUSSELS — To hear Europe's politicians talk, the debate about the future European central bank involves a stark choice between an independent body along the lines of Germany's Bundesbank, which resolutely defends sound money, and a submissive bank controlled by politicians that tolerates rising prices and a falling euro.

The reality, many economists and officials say, will fall somewhere in between. Although legally endowed with greater independence than the Bundesbank, the European central bank is likely to make a subtle but important shift from today's single-minded vigilance against inflation toward a more balanced policy that also seeks to foster growth and employment.

The best model may be not the Bundesbank but rather the U.S. Federal Reserve Board, whose aggressive interest-rate reductions in recent years have fueled one of America's longest postwar economic booms without reigniting inflation.

An early hint of the shift came last week when the Bank of France surprised markets by trimming its key short-term interest rate by 0.05 percentage point, to 3.10 percent. The reduction came just three weeks after the appointment to the bank's monetary-policy committee of two members viewed as monetary-policy "doves" for their willingness to loosen credit to stimulate growth.

"The majority has slightly shifted after the two recent nominations," said Philippe Brossard, an economist at ABN-AMRO in Paris. "They are now more inclined to cut rates as much as they can." He predicted the French central bank would lower its rate to 3 percent within six weeks, matching Germany's level, and said it might even undercut the Bundesbank's rate if the franc remained relatively strong.

Many economists and officials would welcome such a shift across the 15-nation European Union because the EU economy remains sluggish, unemployment is hovering near record levels of just under 11 percent, and inflation shows no sign of intensifying.

German bankers favor limiting monetary union. Page 16.

"There is room to say, 'We're going to take more aggressive steps to lower interest rates and see what happens on inflation,'" said A. Steven Englander, an economist at Smith Barney Inc. in Paris.

The European central bank can be expected to pursue a more flexible policy than the Bundesbank because monetary union will weaken Germany's voice in setting policy and enhance the role played by France and other countries.

Currently, Germany has a monopoly on Europe's monetary policy because the Deutsche mark is the bloc's anchor currency. If France or Italy fails to follow the Bundesbank's moves on interest rates, it risks having its currencies undermined by speculators in the financial markets.

But at the European central bank, policy will be decided collectively for the whole euro zone, and Germany will hold just one seat at the table.

"Germany will be one country, and not one central bank deciding interest rates for all central banks," said Christa Randzio-Plath, the German Social Democrat who heads the European Parliament's subcommittee on monetary affairs. "There will be a different approach. It will be easier to strike an adequate policy mix."

In addition, monetary union will reduce the pressure on other European countries to support the rigid monetarist policy favored by the Bundesbank because there will be no currency risk for breaking ranks.

A Belgian representative of the central bank, for example, will be able to call openly for lower rates because "nobody can attack the Belgian franc," Mr. Englander said. "There won't be a Belgian franc."

The structure of the central bank goes a long way toward explaining why many German officials are determined to start monetary union in 1999 with a

See BANK, Page 16

Romania Seeks Large IMF Loan

By Alan Friedman
and Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — The new government of Romania, pledging to pursue the campaign of reform promises on which it swept into power, hopes to strike a deal in the next few days with the International Monetary Fund to provide emergency financial aid that analysts estimate could amount to $500 million.

The government will also assert control over the country's leading financial institution this week while it proceeds with an anti-corruption campaign, said President Emil Constantinescu.

Mr. Constantinescu, who was elected last November and whose governing coalition includes conservative Christian Democrats, Liberals, Social Democrats and ecologists, is ordering the arrest and trial of some of his country's most prominent military, financial and banking officials as part of the anti-corruption crackdown.

The IMF and World Bank credits would form only a third of an estimated $3 billion that Bucharest is seeking to generate this year from a pool of sources, including loans from the European Bank for Reconstruction and Development, aid from the European Union, private sector foreign direct investment and the proceeds of planned privatization projects, including the sale of some stock in Romania's state telecommunications group.

The president said he hoped negotiations on the terms and conditions related to the new IMF credits could be completed as early as the end of this week.

"We will plan to introduce a structural adjustment program that includes liberalizing energy prices and the exchange rate, and a tough program of fiscal discipline, tax reforms and privatizations," he said during a wide-ranging interview held on the margins of the annual World Economic Forum meetings here.

Romania is seeking to win between $400 million and $500 million of new

See ROMAN, Page 16

Big Contributors Find It Less Easy to Give Quietly

To Elicit Outlays From Others, Recipients Prod The Few Anonymous Donors to Take Credit

By Geraldine Fabrikant and Shelby White
New York Times Service

When R. Champlin Sheridan wanted to make a sizable gift to his alma mater, Johns Hopkins University, he wanted to do it quietly. His goal, he said, was to "change other people's lives — I didn't want it to change mine."

Mr. Sheridan, a quiet, unassuming man who made his $60 million fortune in medical publishing, added, "I wanted a low profile because I almost felt embarrassed by my success."

The school, though, urged him to go public, and in the end Mr. Sheridan agreed — donating $20 million.

Just like that, another anonymous donor was unmasked.

The overwhelming majority of American donors of big gifts bestow in full view — happy to slap their names atop buildings or work a black-tie dinner. Anonymous giving is estimated to account for no more than 1 percent or 2 percent of all contributions over $1 million, and much of that is done for practical purposes, rather than moral ones.

But even that silent minority is being dragged into the open.

Charles Feeney, who made his fortune in airport duty-free shops, is but the most visible current example. Over the years he has given away $610 million and has put $3.5 billion into a charitable foundation, and he did it all anonymously, revealing his largesse recently only under pressure.

There are many reasons anonymous donors are coming out of the shadows, and they often do so under pressure from the institutions to which they give. Those institutions are paying more attention to fund-raising than ever, and they like the publicity that attends gifts with a name attached.

Public gifts also spark the competitive instinct. When people see people they know — or know of — giving money, it is often just the shove they need to open their wallets, too.

Consider, for example, how the legendary competition between the Greek shipping magnates Aristotle Onassis and Stavros Niarchos apparently extended into their philanthropic activities. Although Mr. Niarchos was not a noted philanthropist during his lifetime, his will established an enormous foundation, estimated to be at least $1 billion, that seemed designed to exceed the one set up by Mr. Onassis.

One contemporary of the two billionaires recalled that "their relationship was based on, 'I can do anything better than you.' Whatever the one was doing, the other was trying to outdo."

E. Burr Gibson, executive chairman of Marts & Lundy, a New Jersey fund-raising consulting firm, said the recent numbers of big gifts had come "largely because some others have been publicized."

"Every large gift that carries the donor's name, somebody somewhere says to himself: 'I could do that. I could get that recognition, too,'" he said.

Institutions also urge donors to come forth to avoid losing track of them if the staff members who know their identity, or the intermediaries who arrange the gifts, move on. Fund-raisers also fear that accepting anonymous gifts sometimes lets stingy potential contributors off the hook.

"About 1 percent of the people who give, give anonymously," said Marshall Rose, chairman emeritus of the New York Public Library. "It sometimes seems that all the people who don't give claim to be in that 1 percent."

Philanthropy has also become much more businesslike. So to tap into the psychology of potential donors, fund-raisers compile detailed profiles, often inches thick, of their prospects, with data on everything from their stock holdings to their hobbies to the structure of family-held businesses.

"There is so much more information publicly available," Mr. Gibson said. The data sometimes even chronicle who in the family gets along with whom — or how much a potential donor's friends and colleagues have given.

Even with all this pressure, a stubborn few donors vigorously avoid the limelight. The reasons vary, but the overwhelming one is to keep from being hounded by other institutions, accord-

See CHARITY, Page 15

Big Gifts for Charitable Causes

The 5 largest individual anonymous gifts that were announced in 1995 and 1996.

1996 recipient	*Sum*	*Purpose*
[illegible]	[illegible]	To create a new organization
Mississippi College Clinton, Mass.	25.0 million	Challenge grant*
[illegible]	[illegible]	[illegible]
John Hopkins School of Medicine Baltimore	15.0 million	Endowment for faculty developement and challenge grant* for renovations
[illegible]	[illegible]	[illegible]
1995 recipient	*Sum*	*Purpose*
[illegible]	[illegible]	[illegible]
University of California at Berkeley	25.0 million	Capital campaign
[illegible]	[illegible]	[illegible]
New York Public Library	15.0 million	Building renovation
[illegible]	[illegible]	[illegible]

*A pledge for which additional money must be raised before the gift will be made. *Sources: Chronicle of Philanthropy (1996); Giving USA (1995); NYT*

Q & A / **George Soros**

Toward a European Declaration of Interdependence

During the annual meetings of the World Economic Forum in Davos, Switzerland, the financier George Soros strongly urged that European political leaders pay more attention to the fears of ordinary citizens and the risk of social upheaval amid record unemployment. Mr. Soros discussed these and other issues with Alan Friedman and Jonathan Gage of the International Herald Tribune.

Q. Here at Davos you have been critical of European leaders who are not paying enough attention to public opinion as they prepare for monetary union in 1999. Could you explain your thinking on this subject?

A. I think it is very regrettable that the common currency dominates the debate in Europe. I believe the single currency will be introduced. The train has left the station, and as long as it stays on the rails it will get there in 1999.

But there is an increasing disaffection among the general public. People feel alienated. The processes are not transparent. Therefore, I think there is a crying need to go back to the political foundations of Europe and have a proper public debate about what this means, and perhaps even to have some kind of a European declaration of interdependence.

Q. What else should the European Union be thinking about as it plans for the future?

A. For the European Union to ensure peace and prosperity it must also include countries like Poland and Hungary. The European Union needs to be ready for enlargement. I also think that it is regrettable that the question of NATO expansion is moving faster than EU enlargement because NATO expansion is perceived in Russia as being directed against it, and this is liable to lead to the division of the world into blocs again. It is not just that Russia is embracing Belarus, which is a dictatorship. But NATO expansion could also lead to realignments and new ties between China and Russia. It would be desirable that NATO expansion be accompanied by a NATO alliance with Russia, and it would be even more desirable that Europe's economic and political integration should proceed faster than military alliances.

Q. Let us return for a moment to the single-currency project. As things stand, with Italy struggling to slash its budget deficit and German public opinion skeptical about giving up the Deutsche mark, especially if the new euro includes weaker-currency Mediterranean states, do you think the first wave of single-currency members will be a small hard core led by Germany and France or a larger group?

A. I think Spain is in a good position and it would be very difficult to exclude Italy if Spain is there. In fact this issue has already created tension. A possible outcome of the tension is a firm commitment to Italy that they will be included in the second round provided

See SOROS, Page 16

CYBERSCAPE

Ask Not What Webcasts Can Do for You

By Margot Williams
Washington Post Service

WASHINGTON — Live! On the World Wide Web! It's the 53rd Inaugural Address! For the lucky few, at least.

Last week, along with millions of fellow Internet users, I was shut out of the live coverage of Bill Clinton's second inauguration. We'd been told we could watch an on-line audio-video broadcast of the event, without having to use special software or "plug-ins." It sounded fabulous.

Trouble was, the site was built to handle only 5,000 people at a time. Down it went.

As one of the guilty hypers of the event, I felt doubly determined to fight my way in. So, I eventually found a back way into the site, via the Web address of one of the companies providing technology to the producers. After all that trouble, here's what I saw: A 2-by-2½-inch (5-by-6.3 centimeter) screen surrounded by an image of what looked to be a left-handed remote-control device. Jerky and indistinct "live" motion followed by several seconds the same live broadcast that everyone else in the office was watching on television.

Here's what I heard: Nothing on one computer, because it had no sound card. Tinny, garbled, hard-to-follow voices were audible on one that did.

The experience was symptomatic of video Webcasts in general. Try as it may, the Web just doesn't have the capacity to service large numbers of people at once or deliver a quality product. It just can't handle the flood of electronic ones and zeroes that is needed to make up a high-quality video image.

The result: If a Webcast event is at all popular, most people who want to can't link up to it. Those who do can't believe the quality is so bad.

When I finally made it in to the inauguration site, I smugly invited colleagues to come over and see it on my screen. "Why would anyone watch that?" was the general query of those who came. "Who would watch that?" asked a significant number.

"Cool!" exclaimed one or two special people.

Let's answer the first question: Why? One reason is that Internet video can let you bypass television ads and chatter and tune in directly to an event. The C-SPAN channel also does that, of course, but not everyone has access to it. And some Web video events are not carried on television at all.

Internet radio has moved farther down that last road. RealAudio technology, which lets you listen to the equivalent of radio programming on the Internet, has spawned a global audience. Although critics say there are much easier ways to get radio, many friends abroad are delighted to be able to listen to news, sports and entertainment programming without attention to national borders or atmospheric interference.

If you're looking for schedules of the day's live Internet broadcasts and events, check the scheduled Net Events at Yahoo! (http://events.yahoo.com), or at NetClock (http://www.ypn.com), where you can search by time or topic for a week's scheduled audio and video broadcasts.

TimeCast (http://www.timecast.com) provides the same for only RealAudio schedules and special events.

As for the "who" question, the typical Webcast audience member is a computer enthusiast with a higher-end machine. You need a Pentium or PowerMac machine, properly configured software and a fast connection (28,800 bits a second is the absolute slowest modem you can use).

Many of them, of course, watch a Webcast for the pure joy of doing it. It doesn't matter to them if it's more difficult than television.

The fact is that the Internet's capacity grows daily, and to my mind it is only a matter of time before it becomes a commonplace means of sending video. In the 1950s, my grandpa watched baseball on his new television but listened to the play-by-play on his old radio. We're in another period of transition.

I just wish that programmers and broadcasters would do a better job in the meantime of planning their parties on a scale to match the number of guests they've invited.

Internet address: Cyberscape@iht.com.

Israeli Treasury Blames High Rates for Slump

Reuters

JERUSALEM — The head of the Treasury blamed the Bank of Israel's tight monetary policies Sunday for a slowdown in the economy, but the central bank shot back that the government's budget deficits had left it little choice.

"We find ourselves, it seems for the first time in the Israeli economy, in a slowdown that has been created entirely by monetary policy, and one I am not sure the government decided intentionally to implement," the Treasury's director-general, David Brodet, said.

The Treasury predicts that Israel's gross domestic product will grow 4 percent this year, although many private economists have issued more pessimistic forecasts. Last year, GDP grew 4.4 percent, according to preliminary government estimates.

Mr. Brodet said at a news conference that if interest rates did not come down soon, the economy would face even slower growth than the government was projecting. Short-term interest rates have been declining since the middle of last year; the Bank of Israel cut them half a percentage point last week, to 14.2 percent. But the Treasury and industrial leaders have been pressing for steeper cuts because inflation is falling at least as quickly.

The Bank of Israel said, however, that the problem was the budget deficit.

"The problem of balance in the Israeli economic policy is a result of the loss of fiscal control that began in 1995 and worsened in 1996," the Bank of Israel said in a response to Mr. Brodet's comments.

Last year, the budget deficit reached 4.7 percent of gross domestic product, compared with a target of 2.5 percent.

Mr. Brodet said economic indicators for the end of 1996, such as industrial production and electricity consumption, were pointing to a further slowing of the economy.

He said two years of a misguided policy of high domestic interest rates had drawn in $10 billion in capital imports, mainly by Israeli businesses taking advantage of cheaper foreign-currency loans.

The central bank said it was committed to the existing foreign-exchange regime and would continue to defend the exchange rate.

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London (c)	1.6225	—	2.8244	15.8532	2.8639.51	2.9451	54.8884	2.3907	194.5436	2.3483
Madrid	138.367	221.788	94.642	25.068	8.57	76.592	4.3898	97.456	110.881	107.576
Milan	1,489.10	2,381.25	988.15	292.26	—	824.31	47.71	1,038.68	11.954	1,150.10
New York (c)	—	1.6019	1.6586	5.5233	1,681.00	1.8483	33.83	1.4259	121.625	1.3473
Paris	5.9135	9.4678	3.9765	—	6.3422	3.4859	8.1027	3.8977	43.609	4.6895
Tokyo	122.16	195.46	74.57	22.10	0.759	64.39	3.4156	85.80	—	99.60
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Austrian sch.	11.571	Hung. forint	170.17	Norw. krone	6.8032	Saud. riyal	3.7506
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Danish krone	6.3412	Israeli shek.	3.3103	Russ ruble	5634.0	UAE dirham	3.6705
Egypt. pound	3.393	Kuw dinar	0.3012	Saudi riyal	3.75	Venez. bolív.	473.75
Fin. markka	4.823	Malay. ring.	2.4845	Sing. $	1.4073		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6027	1.5818	1.6008	Japanese yen	121.94	121.67	121.00
Canadian dollar	1.3461	1.3492	1.3464	Swiss franc	1.4139	1.4093	1.4047
Deutsche mark	1.6303	1.6270	1.6232				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

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Investors Embrace First Bond Issue in Euros — Mainly to Avoid the Ecu

By Carl Gewirtz
International Herald Tribune

PARIS — The euro, the European single currency scheduled to be launched in 1999, made its debut on the international capital markets last week, and both institutional and retail investors gave it the equivalent of a standing ovation.

The seven-year issue of 1 billion euros was substantially oversubscribed, underwriters reported, and the price was bid higher, lowering the bond's yield by 0.06 percentage point, thanks to heavy demand.

But it would be a mistake to read much significance into the issue's reception, traders said, because it in no way ensures that the euro is likely to be created and says nothing about investors' willingness to accept the proposed currency.

The outlook for the euro is still cloudy because, for one thing, it is not at all certain that both Germany and France will succeed in bringing their budget deficits down enough to fit under the Maastricht treaty's maximum — 3 percent of gross domestic product — for creating a monetary union.

It also remains to be seen how far Paris will push its drive to impose political control over the future European central bank, an effort that is vigorously opposed in Bonn.

If the euro never comes into existence, the issue by the European Investment Bank, the European Union's regional development bank, would automatically be denominated in European currency units.

The Ecu, a basket of 12 European currencies, had been intended to be the future common currency, but its lackluster performance on the foreign-exchange market led to its replacement by the euro.

In principle, upon the creation of the euro, Ecus are to become euros in a 1-for-1 exchange, giving the bank's issue a value of $1.19 billion.

The 12-currency aspect of the Ecu, in fact, is the reason the European Investment Bank's euro issue was such a hit. In the present quarter, an estimated 6 billion Ecus of bonds is scheduled to be redeemed. But investors, particularly institutions that must value their holdings at market rates, have no incentive to reinvest their money in Ecus.

That is because, of the 12 nations whose currencies make up the European currency unit, only Belgium, France, Germany, Luxembourg and the Netherlands are considered nearly certain to enter a monetary union if it occurs. The initial participation of Italy, Spain, Ireland and Portugal remains highly uncertain; Britain and Denmark are likely not to want to join, and Greece is not even a candidate.

Such currencies as the lira, peseta and escudo — which have risen sharply in recent months on speculation that they will qualify for monetary union in 1999 — will certainly take a hit if left out. It is a matter of conjecture what the impact will be on sterling, the krone and the others. But there is a strong possibility that the Ecu will weaken, dragged down by the component currencies that are not replaced by the euro in the first stage of a currency union.

Thus, investing in euro-denominated bonds looks like a much safer bet — even though the euro may never be created — than placing money in Ecus, and this explains the tremendous response to the new offering.

For the European Investment Bank itself, the offering was less a financial transaction than an operation undertaken for political and public relations reasons, as bankers said medium-term financing could have been arranged at much lower cost by issuing bonds in another currency and then swapping into the Ecu, the bank's unit of account.

The new issue "inaugurates a new phase in the EIB's policy of support of the euro," the bank said, adding that it formed "part of our long-term strategy to support Europe's monetary union and economic integration."

The issue was offered to yield 5.61 percent — 0.02 percentage point, or 2 basis points, more than French government Ecu paper already outstanding. The spread subsequently was reversed, to four basis points below the French issues, because of the heavy demand.

To achieve that yield, the paper was offered at a discounted price of 97.94. The aim, underwriters explained, was to set the coupon at 5.25 percent and thereby keep open the possibility that future issues in euros, Ecus or any of the currencies likely to form the euro would become fungible, creating a jumbo issue that could become a benchmark.

At the same time, the bank last week sold 1 billion guilders ($543.6 million) of 10-year bonds carrying a coupon of 5.75 percent. Assuming the Dutch currency joins the monetary union in 1999, that issue also could be increased in size through consolidation with other issues in currencies converting to the euro to form a jumbo euro.

"The fundability of such future EU national currency issues with euro/Ecu issues launched by the EIB," the bank said, "will enable the bank to contribute to building up liquidity rapidly in the euro market and to create an early euro benchmark yield curve."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 31. Prices supplied by Telekurs.

Austrian Schilling

Rnk Name	Cpn	Maturity	Price	Yield
237 Austria	5⅝	01/17/07	98.8000	5.6900

Belgian Franc

Rnk Name	Cpn	Maturity	Price	Yield
215 Belgium	9	03/28/03	120.5200	7.4700

British Pound

Rnk Name	Cpn	Maturity	Price	Yield
234 Britain	9½	10/25/04	112.2190	8.4700
249 WestLB Fin	8⅛	01/24/07	100.6250	8.0700

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
7 Denmark	8	03/15/06	110.20	7.2600
16 Denmark	9	11/15/98	108.4400	8.3000
21 Denmark	8	11/15/01	111.45	7.1800
22 Denmark	9	11/15/00	114.1500	7.8800
27 Denmark	7	11/15/07	102.3000	6.8400
34 Denmark	7	11/10/24	95.0000	7.3700
40 Denmark	7	12/15/04	104.6500	6.6900
51 Denmark	8	05/15/03	111.4200	7.1800
53 Denmark	6	12/10/99	104.1600	5.7600
89 Denmark	4	02/15/00	99.5100	4.0200
106 Denmark	6	11/15/02	102.4900	5.8500
111 Denmark	5	08/15/05	92.9000	5.3800
112 Denmark	7	08/15/97	101.7200	6.8800
118 Denmark	7	02/15/98	103.2300	6.7800
146 Nykredit 3 Cs	6	10/01/26	87.0300	6.8900
165 Real Kredit	6	10/01/26	86.8500	6.9100
222 Nykredit Bank	7	10/01/26	94.0000	7.4500

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6½	10/14/05	105.4300	6.1700
2 Germany	6	01/04/07	101.6186	5.9000
3 Germany	8	01/21/02	114.2233	7.0000
5 Germany	6⅞	05/12/05	108.1143	6.3600
6 Germany	6¼	04/26/06	103.5560	6.0400
8 Germany	5	08/20/01	102.2700	4.8900
9 Germany	8	07/22/02	114.7650	6.9700
10 Germany	6	01/05/06	101.9000	5.8900
12 Germany	3½	12/18/98	100.1200	3.5000
14 Germany	8¼	09/20/01	114.8100	7.1900
15 Germany	7⅜	01/03/05	111.4150	6.6200
17 Treuhand	7½	09/09/04	112.2300	6.6800
18 Germany	5	05/21/01	102.6500	4.8700
19 Treuhand	7¾	12/02/02	111.7800	6.6000
23 Treuhand	7⅛	01/29/03	110.4150	6.4500
24 Germany	3½	09/18/98	100.2400	3.4900
25 Germany	6¼	01/04/24	95.1700	6.5700
26 Treuhand	6⅝	07/09/03	107.5250	6.1600
28 Germany	8½	02/20/01	114.9933	7.3900
29 Germany	6	02/16/06	101.8400	5.8900
31 Treuhand	6⅞	06/11/03	108.9433	6.3100
32 Germany	8¾	08/20/01	116.7200	7.5000
33 Germany	5¼	02/21/01	103.4060	5.0800
35 Germany	9	10/20/00	116.0400	7.7600
36 Germany	6½	07/15/03	106.9600	6.0800
38 Treuhand	7¾	10/01/02	113.4767	6.8300
39 Germany	7⅛	12/20/02	110.5800	6.4400
41 Germany	5¾	08/22/00	105.2300	5.4600
42 Germany	5⅛	11/21/00	103.1480	4.9700
44 Treuhand	6⅛	03/26/98	103.2400	5.9300
45 Treuhand	6¼	03/04/04	105.0800	5.9500
46 Germany	5⅝	05/15/00	105.6100	5.5600
47 Treuhand	6½	04/23/03	107.0800	6.0700
48 Germany	7½	11/11/04	112.2600	6.6800
49 Germany	7	01/13/00	108.6700	6.4400
54 Germany	8¾	07/20/00	114.6600	7.6300
55 Germany	8	09/22/97	103.0000	7.7700
57 Germany	8⅞	12/20/00	115.9825	7.6500
58 Treuhand	6⅝	07/01/99	106.1300	6.0100
61 Germany	8⅜	05/21/01	114.9700	7.2800
63 Germany	6½	03/15/00	107.3700	6.0500
66 Germany	6¾	04/22/03	108.4375	6.2200
67 Germany	6⅞	01/20/98	103.2400	6.4200
68 Germany	9	01/22/01	116⅛	7.7200
70 Treuhand	6¾	05/13/04	107.8000	6.2600
72 Treuhand	6¼	07/29/99	106.1750	5.8900
75 Treuhand	5	01/14/99	102.9200	4.8600
76 Treuhand	6	11/12/03	104.0800	5.7600
77 Treuhand	5	12/17/98	102.8400	4.8600
80 Germany	8¼	07/21/97	102.3300	8.0600
81 Treuhand	6⅛	06/25/98	103.8100	5.9000
82 Germany	6¾	09/15/99	107.6160	6.2700
85 Germany	5¾	05/28/99	104.7800	5.4900
86 Germany	5¾	02/25/98	102.1100	5.1400
87 Germany	6	06/20/16	94.9717	6.3200
88 Germany	6¾	07/15/04	107.8600	6.2600
90 Germany	6⅞	12/02/98	106.0600	6.4800
91 Germany	5¼	10/20/98	103.1600	5.0900
93 Germany	6	09/15/03	104.5786	5.7400
95 Germany	6⅛	05/20/98	103.9433	6.1300
96 Germany	7½	10/20/97	103.0300	7.2800
98 Germany	8½	08/21/00	114.0100	7.4600
100 Germany	5¾	08/20/98	103.6325	5.5500
103 SuedwestLB	4⅞	01/30/02	100.1500	4.8700
105 Germany	5¼	11/20/97	101.6400	5.1700
110 Treuhand	5⅝	09/24/98	103.5600	5.4300
113 Treuhand	5¾	04/29/99	104.7200	5.4900
115 Germany	7	12/22/97	103.3200	6.7800
120 EIB	6	10/22/03	104.1193	5.7600
125 Germany	5⅜	02/22/99	103.8300	5.1800
132 Germany Tbills	zero	07/18/97	98.6239	3.0200
140 Germany	7¼	10/21/02	111.20	6.5200
143 Germany	8	03/20/97	100.6333	7.9500
145 Germany	6⅛	05/20/99	105.6700	5.8000
154 Germany	8¾	05/22/00	114.3200	7.6500
157 Treuhand	7	11/25/99	108.5300	6.4500
159 Ba Credit Card	6	11/15/05	103.3637	5.8000
164 German States	6	01/29/07	100.2200	5.9900
171 Germany	6⅞	02/24/99	106.6500	6.4500
175 Cap Credit Card	5⅝	08/15/01	102.9187	5.4700
190 Germany	7¼	10/20/97	102.8500	7.0500
202 Germany	5¾	08/20/97	101.4000	5.6700
203 Germany Tbills	zero	04/18/97	99.3902	2.9000
204 Germany	7¾	02/21/00	110.8700	6.9900
226 Mexico	8⅛	09/10/04	104.7700	7.7600
227 Germany	6¾	05/02/03	107.7850	6.2600
231 Germany	6	02/20/98	102.8575	5.8300
232 Germany	7¼	01/20/00	109.3750	6.6300
233 DSL Fin	6	01/15/07	103.7565	5.7800
241 Germany	6¾	06/21/99	107.0700	6.3000
245 Germany	2.995	09/30/04	99.1700	3.0200
247 Germany	6½	01/02/99	105.5000	6.1600
248 Spain	3⅝	06/29/02	100.2500	3.1800
250 Austria	6½	01/10/24	97.0300	6.7000

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
20 Netherlands	6	01/15/06	102.6500	5.8500
30 Netherlands	6¼	07/15/98	104.0400	6.0100
84 Netherlands	5¾	09/15/02	104.1000	5.5200
92 Netherlands	8¼	02/15/00	112.1000	7.3600
107 Netherlands	7	03/15/99	107.0000	6.5400
109 Netherlands	6¾	11/15/05	107.7500	6.2600
116 Netherlands	9	01/15/01	116.6000	7.7200
117 Netherlands	7½	01/15/23	113.1500	6.6300
119 Netherlands	9	05/15/00	114.9500	7.8300
121 Netherlands	8¼	06/15/02	116.0500	7.1100
126 Netherlands	8¾	09/15/01	117.1300	7.4700
139 Netherlands	7½	04/15/10	114.1500	6.5700
142 Netherlands	7½	11/15/99	109.6000	6.8400
147 Netherlands	7	02/15/03	110.1500	6.3500
155 Netherlands	7¼	01/15/00	110½	7.0100
156 Netherlands	7	06/15/05	109.5000	6.3900
166 Netherlands	5¾	01/15/04	102.6500	5.6000
170 Netherlands	7½	06/15/99	108.6500	6.9000
173 Netherlands	6½	07/15/98	104.3000	6.2300
174 Netherlands	8½	03/15/01	115.1000	7.3800
218 Netherlands	6½	04/15/03	107.4500	6.0500
219 Netherlands	7¾	03/01/05	114.4500	6.7700
223 Netherlands	8¾	05/01/00	114.0000	7.6800
230 Netherlands	6¾	02/15/99	106.3000	6.3500

ECU

Rnk Name	Cpn	Maturity	Price	Yield
56 France OAT	5½	04/25/07	95.7500	5.7400
79 France OAT	7	04/25/06	107.7400	6.5000
122 France B.T.A.N.	6	03/16/01	104.7800	5.7300
127 France BTAN	5	03/16/99	101.9000	4.9100
129 France BTAN	7¼	03/16/98	103.4200	7.0100
130 Britain	9⅛	02/21/01	115.9500	7.8700
131 France OAT	6	04/25/04	102.9600	5.8300
137 France OAT	9½	04/25/00	114½	8.3000
151 UK T-note	5	01/26/99	101.5717	4.9200
169 Britain T-bills	zero	04/10/97	99.2665	3.8600
176 France OAT	6¾	04/25/02	107.5000	6.2800
178 France OAT	7½	04/25/05	111.0000	6.7600
180 France OAT	8¼	04/25/22	115.2533	7.1600
188 France BTAN	7½	03/16/97	100.3600	7.4700

Finnish Markka

Rnk Name	Cpn	Maturity	Price	Yield
201 Finland Serial s	7¼	04/18/06	108.1825	6.7000
217 Finland sr 1999	11	01/15/99	113.5694	9.6900

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
74 France OAT	5½	04/25/07	98.5100	5.5800
162 France B.T.A.N.	5½	10/12/01	104.2900	5.2700
182 France B.T.A.N.	5¾	03/12/98	102.6500	5.6000
192 France OAT	5½	04/25/04	102.0000	5.3900
197 France OAT SP	zero	04/25/23	16.2200	7.1800
200 France OAT	6	10/25/25	92.8000	6.4700
206 France OAT	6½	10/25/06	106.5000	6.1000
210 Credit Lyonnais		01/27/99	100.0000	
242 France BTAN	7	10/12/00	109.7300	6.3800

Italian Lira

Rnk Name	Cpn	Maturity	Price	Yield
148 UBS Fin	zero	01/29/27	12.4000	7.2000
208 Dresdner Bank	zero	11/20/26	10.3149	7.9100

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
135 World Bank	5¼	03/20/02	117¾	4.4600
153 World Bank	4½	06/20/00	111¼	4.0400
243 Japan Dev Bk	6½	09/20/01	122.1250	5.3200
244 World Bank	4½	03/20/03	114⅝	3.9200

Portuguese Escudo

Rnk Name	Cpn	Maturity	Price	Yield
73 Portugal	8 5/16	02/15/99	104.0065	7.9923
205 Portugal		02/03/00	100.2500	

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
194 Spain	8.80	04/30/06	113.9470	7.7200
228 Spain	10.10	02/28/01	115.6120	8.7400

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
50 Sweden	11	01/21/99	111.7930	9.8400
71 Sweden 1036	10¼	05/05/00	114.9400	8.9200
163 Sweden	6	02/09/05	96.5370	6.2200
172 Sweden	13	06/15/01	128.1070	10.1500
191 Sweden	6½	10/25/06	97.8730	6.6400
198 Sweden 1037	8	08/15/07	108.1340	7.4000
209 Sweden	10¼	05/05/03	120.8790	8.4800

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
4 Brazil Cap S.L.	4½	04/15/14	81.1422	5.5500
11 Argentina FRN	6⅝	03/29/05	87.6492	7.5600
13 Argentina par L	5¼	03/31/23	64.5130	8.1400
37 Brazil	6½	01/01/01	97.9510	6.6400
43 Mexico	11½	05/15/26	108.3750	10.6100
52 Brazil S.L	6⅝	04/15/12	79.7600	8.2300
59 Brazil par ZI	5	04/15/24	63.7000	7.8500
60 Brazil L	6½	04/15/06	89.3130	7.2800
62 Venezuela	6½	12/18/07	89.5400	7.2593
64 Brazil S.ZI	6½	04/15/24	80.4250	8.0800
65 Venezuela A	6¾	03/31/20	76.4620	8.8300
69 Mexico par A	6¼	12/31/19	74.8000	8.3600
78 Mexico par B	6¼	12/31/19	75.3500	8.2900
83 Bulgaria	6⅞	07/28/11	47.7813	13.7300
94 Kellogg	6⅝	01/29/04	99.8750	6.6300
97 Mexico	9⅞	01/15/07	102.3750	9.6500
99 Argentina	5⅞	04/01/01	125.5000	4.5319
101 Argentina L	6¾	03/31/23	81.1875	7.8500
102 Ecuador	3	02/28/15	66.1613	4.5300
104 Halifax BS	6½	01/28/02	99.5000	6.5300
108 Italy	6⅞	09/27/23	93.1250	7.3800
114 Mexico D	6.352	12/28/19	91.0500	6.9800
123 Kexim	6½	11/15/06	96.8776	6.7100
124 Mexico A	6.453	12/31/19	91.0500	7.0900
128 Sallie Mae	4½	08/02/99	96.0000	4.6900
133 Bco Com Ext.	7¼	02/02/04	91.6250	7.9100
134 Mexico	11⅜	09/15/16	107.8750	10.5400
136 Panama pdi	6⅞	07/17/16	86.9583	7.5467
138 Mexico	7⅝	08/06/01	100.6200	7.5200
141 World Bank	5.68	09/27/99	98.6250	5.7600
144 Brazil Cbond S.L	4½	04/15/14	84.4740	5.3300
149 Brazil	8⅞	11/05/01	100.8750	8.8000
150 Ecuador par	3¼	02/28/25	45.9783	7.0700
152 Bulgaria	2¼	07/28/12	36.8750	6.1000
158 Brazil S.L	6⅞	04/15/09	84.6120	7.7600
160 Russia	9¼	11/27/01	97.3750	9.5000
161 EIB	7⅛	09/18/06	102.2500	6.9700
167 Argentina	11	10/09/06	104.2500	10.5500
168 Bulgaria	6⅞	07/28/24	53.9063	12.1700
177 Poland	6½	10/27/24	98.3260	6.6100
179 Mexico	9¾	02/06/01	104.3750	9.3400
181 Venezuela par B	6¾	03/31/20	76.5938	8.8100
183 Chase Capital	6⅛	02/01/27	98.4000	6.1611
184 Bay LB zent	6½	11/19/01	99.8750	6.5100
185 Ecuador	6½	02/28/25	70.8533	9.1700
186 British Columbia	7¾	06/18/02	104.8500	7.3900
187 Mydfa Trust	6⅞	09/15/07	84.5693	7.9077
189 Panama	3½	07/17/14	75.2933	4.6500
193 Nigeria	6¼	11/15/20	68.0000	9.1900
195 Mexico B	6⅛	12/31/19	91.4000	6.9700
196 Volkswagen	3	01/24/02	101.6250	2.9500
199 MBL Intl Fin	3	11/30/02	100.0000	3.0000
207 Wachovia Bk	7	10/17/08	98.6250	7.1000
211 Britain	6¾	07/19/01	101.2500	6.6700
212 Sweden	6½	03/04/03	99.5000	6.5300
213 Ecuador	3	02/28/15	69.5800	4.3100
214 New York City	5.844	08/28/02	99.8900	5.8500
216 Argentina	5⅞	09/01/02	110.0500	5.1681
220 World Bank	6⅝	08/21/06	98.8750	6.7000
221 Poland par	3	10/27/24	55.5500	5.4000
224 Italy	7	09/18/01	101.5000	6.9000
225 Canada	6⅜	07/21/05	97.1250	6.5600
229 Canada	6¾	08/28/06	99.1250	6.8100
235 Ford Motor	5⅝	01/17/02	99.8100	5.7000
236 CADES	5.359	12/10/01	99.7500	5.3728
238 Brazil S.L	6⅝	04/15/12	79.7280	8.2300
239 Italy B	zero	01/10/01	77.7500	6.5800
240 Canada	6½	05/30/01	100.2500	6.4800
246 Commerzbk	5.439	01/29/01	99.6500	5.4600

Bond Bears Unfazed by 4-Day Rally

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. Treasury market's best performance in almost three months still is not enough to convince bears that the outlook is brightening for bonds.

For the first time this year, bonds rallied for four consecutive days last week, with the benchmark 30-year rising 1⅛ points, or $11.25 per $1,000 bond. Its yield fell 10 basis points to 6.79 percent. The gain was the biggest since the week that ended Nov. 8.

Yet many investors said the winter-long slump in bond prices was not over. "Any rallies will be short-lived and pretty modest," said Michael Martino, who helps manage $65 billion in bonds for Putnam Management in Boston.

The market's rebound, some analysts said, stemmed mostly from optimism generated by news that inflation rose at the slowest pace in three decades even as the economy grew at a faster-than-expected 4.7 percent annual rate in the fourth quarter.

Earlier last week, bonds were buffeted by reports showing that the economy continued to strengthen while inflation

U.S. CREDIT MARKETS

remained low. Gains posted on Tuesday after the government said its employment cost index rose a smaller-than-expected 2.9 percent last year were offset by a pickup in consumer purchases and growing consumer confidence.

Investors indicated they were not convinced that inflation was dead by snapping up the government's $7 billion debut issue of 10-year notes, designed to shield them from inflation.

Buyers such as Jerry Thunelius, who manages $1.5 billion in bonds at Dreyfus Corp., said he was hanging onto the notes as a hedge against inflation.

Money managers predicted that the market would face additional hurdles in the coming week before investor sentiment took a bullish turn, including a spate of economic reports on personal income and spending, construction spending, new home sales, factory orders, housing completions and January employment.

Friday's release of the monthly employment report for January may give bonds a sustained lift out of their funk, or might provide more cause for the Federal Reserve Board to ratchet borrowing rates higher to slow the economy.

"We've all learned that the nonfarm payroll report can come in with quiet a bit of volatility," said Steve Vielhaber, who oversees $35 billion in bonds for Bank of America in Los Angeles. "It can make a real shambles of the market." *(Bloomberg, NYT)*

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Argentaria Capital Funding	$150	2007	¼	99.932	—	Interest will be ¼ over 3-month Libor until 2002, when issue is callable at par, thereafter ¾ over. Fees 0.40%. Denominations $100,000. (CS First Boston.)
Bradford & Bingley Building Society	$300	2002	1/16	99.967	—	Over 3-month Libor. Noncallable. Fees 0.175%. (Lehman Brothers Int'l.)
Compagnie Financiere CIC UE	$100	perpt	0.55	99.51	—	Interest will be 0.55 over 3-month Libor until 2002, when issue is callable at par, 1.30 over until 2007, thereafter 2.05 over. Fees 0.50%. Denominations $10,000. (Chase Manhattan Int'l.)
First Maryland Capital II	$150	2027	0.85	98.8787	—	Over 3-month Libor. Private placement callable at par in 2007. Fees 1%. (Lehman Brothers.)
First USA Credit Card Master Trust	$750	2006	0.10	100.00	—	Over 1-month Libor. Average life 7 years. Fees 0.35%. (J.P. Morgan Securities.)
Abbey National Treasury Services	£100	2002	0.15	100.00	—	Over 3-month Libor. Noncallable. Fees 0.15%. Denominations £100,000. (SBC Warburg.)
3i Holdings	£100	2002	3⅛	99.87	—	Over 3-month Libor. Callable at par from 2000. Fees 0.15%. Denominations £100,000. (HSBC Markets.)
Fixed-Coupons						
Asfinag	$250	2003	6½	101.27	99.99	Reoffered at 99.67. Noncallable. Fees 1⅞%. (Barclays de Zoete Wedd.)
Ceval Alimentos	$100	2004	10⅝	99.90	—	Semiannually. Redeemable at 99.90 in 2001. Fees 1⅛%. (Chase Manhattan Int'l.)
Citibank Credit Card Master Trust	$400	2004	6.839	100.00	—	Semiannually. Callable at par from 2000. Fees 0.25%. (Merrill Lynch Int'l.)
Danone Finance	$100	2000	6⅝	101.163	100.20	Reoffered at 99.963. Noncallable. Fees 1⅞%. (Citibank Int'l.)
Depfa Bank Europe	$200	2000	6½	101.175	100.19	Reoffered at par. Noncallable. Fees 1⅛%. (Morgan Stanley Int'l.)
DSL	$500	2002	6½	99.716	99.60	Noncallable. Fees 0.25%. (Merrill Lynch Int'l.)
Export Development Co.	$170	2000	5.65	100.00	—	Semiannually. Noncallable private placement. Fees 1.10%. (Toronto-Dominion Bank.)
GMAC	$178	2000	5.63	100.00	—	Semiannually. Noncallable private placement. Fees 1½%. Denominations $10,000. (Merrill Lynch Int'l.)
GMAC	$1,000	2002	6¼	99.791	100.12	Semiannually. Noncallable. Fees 0.35%. (Merrill Lynch Int'l.)
Merita Bank	$150	perpt	7	99.557	—	Interest will be a fixed 7% until 2007, when issue is callable at par, thereafter 2¼ over 6-month Libor. Fees 0.875%. Denominations $10,000. (Merrill Lynch Int'l.)
Multicanal	$125	2002	9¼	99.802	—	Noncallable. Fees 1⅛%. (CS First Boston.)
Multicanal	$125	2007	10½	99.754	—	Noncallable. Fees 2%. (CS First Boston.)
Norddeutsche Landesbank	$100	2001	5	100.545	99.00	Interest will be 5% until 1999, thereafter 7½%. Reoffered at 99.145. Noncallable. Fees 1⅛%. (Kredietbank.)
Osaka Gas	$400	2007	7⅛	99.642	100.12	Noncallable. Fees 0.35%. (Goldman Sachs Int'l.)
Parmalat Brazil	$150	2005	9⅛	99.922	—	Interest will be 9⅛% until 2000, when issue is redeemable at par, thereafter 9¾%. Fees 0.625%. Denominations $10,000. (Bank of Boston.)
Southern Co. Capital Trust	$300	2037	8.19	100.00	—	Semiannually. Private placement callable at par in 2007. Fees 1%. (Lehman Brothers Int'l.)
Sudwest Landesbank Capital Markets	$750	2002	6½	101.221	99.86	Reoffered at 99.596. Noncallable. Fees 1⅞% (Goldman Sachs Int'l.)
Turkey	DM500	2004	7¾	99.90	99.75	Reoffered at 98.40. Noncallable. Fees 2¼%. (Commerzbank.)
Inter-American Development Bank	£150	2002	7¼	101.083	—	Reoffered at 99.485. Noncallable. Fees 1⅞%. (Hambros Bank.)
Int'l Finance Corp.	£250	2000	6.34	99.10	—	Semiannually. Noncallable private placement. Fees 0.20%. (Yamaichi Int'l.)
Siemens Capital Corp.	£100	2000	6⅞	101.1475	—	Reoffered at 99.96. Noncallable. Fees 1⅛%. Denominations £100,000. (CS First Boston.)
Scottish Power	£200	2017	8¾	100.708	—	Reoffered at 98.833. Callable at par in 2001. Fees 2⅛%. (HSBC Markets.)
Dresdner Finance	FF1,500	2008	6¼	104.306	99.72	Reoffered at 102.656. Noncallable. Fungible with outstanding issue, raising total amount to 4 billion francs. Fees 2%. (Banque Nationale de Paris.)
Mexico	ITL500,000	2007	9⅛	100.80	99.70	Reoffered at 99.40. Noncallable. Fees 2%. (Chase Manhattan Int'l.)
European Investment Bank	DF1,000	2007	5¾	100.775	99.62	Reoffered at 99.10. Noncallable. Fees 2%. (ABN-AMRO Hoare Govett.)
European Investment Bank	SP14,000	2007	7.28	100.00	—	Interest will be 7.28% until 2001, thereafter 12.80% less the 1-year Libor. Noncallable. Fees 0.35%. (Banco Santander de Negocios.)
European Investment Bank	ECU1,000	2004	5¼	99.517	98.30	Reoffered at 97.942. Noncallable. Fees 1⅞%. (Caisse des Depots et Consignations.)
GMAC	Y11,000	2000	5.64	100.00	—	Semiannually. Redemption at maturity will be in sterling. Noncallable private placement. Fees 1½%. (Merrill Lynch Int'l.)
Nissan Steel	Y10,000	2001	4.90	100.00	—	Redemption at maturity may be in dollars. Noncallable private placement. Fees 0.20%. Denominations 100 million yen. (Wako Int'l.)
NTT Mobile Communications Network	Y10,000	2003	2.20	100.00	—	Noncallable private placement. Fees 0.25%. Denominations 100 million yen. (LTCB Int'l.)
Equity-Linked						
Cogeneration Public Co.	$100	2007	2½	100.00	—	Redeemable at 127.478 in 2002. Convertible at 112 baht per share, a 14.90% premium, and at 25.87 baht per dollar. Fees 2½%. (J.P. Morgan Securities.)
Land Securities Finance	£210	2007	6	100.00	—	Semiannually. Callable at par in 2002. Convertible at £8.74 per share, a 13% premium. Fees 2½%. (J. Henry Schroder.)
Banca Popolare di Brescia	ITL220,000	2003	7	100.00	—	Noncallable. Convertible at 9,400 lire per share, a 10% premium. Fees 2½%. (Morgan Stanley.)

The Week Ahead: World Economic Calendar, Feb. 3-7

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Full deregulation of the oil industry begins Saturday. **Sydney:** Placer Dome Inc.'s takeover bid for Highlands Gold Ltd. due to close Saturday.	**Milan:** Futures & Options World holds convention on Italian derivative products; Arquati SpA's initial public offering starts Tuesday.	**Washington:** Federal Open Market Committee meets Tuesday and Wednesday to set interest-rate policy.
Monday Feb. 3	**Tokyo:** Japan Automobile Dealers Association reports vehicle sales figures for January. Ministry of Finance releases figures on foreign-currency reserves. **Manila:** Reynolds Philippine Corp. holds briefing on initial public offering.	**Madrid:** National Statistics Institute reports on producer prices for December. **Brussels:** Eurostat, the European Commission's statistics office, issues guide on accounting methods for the planned single currency.	**Tempe, Arizona:** National Association of Purchasing Management releases January index. **Washington:** Commerce Department reports personal income and spending and construction spending for December.
Tuesday Feb. 4	**Sydney:** December retail figures; Bank of Australia board meeting. **Tokyo:** Bank of Japan Governor Yasuo Matsushita speaks to business leaders. Bank of Japan reports on average lending rates in December.	**London:** Monthly monetary meeting. **Rome:** Istat releases January inflation figure. **Earnings expected:** KLM Royal Dutch Airlines NV, NetCom Systems AB, Pace Micro Technology PLC.	**Washington:** President Bill Clinton delivers State of the Union address. Conference Board reports December leading indicators. **Buenos Aires:** Cost of construction index and consumer, producer and wholesale prices for January.
Wednesday Feb. 5	**Tokyo:** Finance Ministry reports merchandise trade figures for first 20 days of January. **Manila:** Mabuhay Vinyl Corp. and Reynolds Philippine Corp. list on the stock exchange.	**Brussels:** January consumer price index. **Zurich:** Federal Institute of Technology releases leading economic indicators for January. **Earnings expected:** British Sky Broadcasting PLC.	**Ottawa:** Statistics Canada's fourth-quarter farm input price index. **Sao Paulo:** Inflation rate for the 30 days ended Jan. 23. **Earnings expected:** IntelliData Technologies Corp., Rubbermaid Inc.
Thursday Feb. 6	**Tokyo:** Japan Automobile Importers Association reports on imported-vehicle sales and the Minicar Association of Japan reports on minicar sales for January. **Sydney:** Weekly wage figures for three months ended Nov. 30,	**Oslo:** Fourth-quarter gross domestic product. **London:** Index of Production for December. **Earnings expected:** British Telecom PLC, SKF AB, UCB SA.	**Washington:** Mr. Clinton submits fiscal 1998 budget plan to Congress. **Buenos Aires:** Indec releases trade balance for December. **Mexico City:** February trade balance.
Friday Feb. 7	**Tokyo:** Economic Planning Agency's monthly report on the economy; Federation of Bankers Associations of Japan to release data on bank deposits and lending for January.	**Copenhagen:** Danmarks Statistik reports on December industrial sales. **Stockholm:** SCB releases January jobless figures.	**Washington:** Labor Department reports January unemployment, December wholesale trade. **Earnings expected:** Molson Cos., Ipsco Inc., Noranda Forest Inc.

Last Week's Markets

Stock Indexes

United States	Jan. 31	Jan. 24	% Ch'ge
DJ Indus.	6,813.09	6,496.48	+1.74
DJ Util.	232.53	237.63	—2.15
DJ Trans.	2,324.10	2,332.73	—0.37
S & P 100	771.80	754.68	+2.27
S & P 500	786.16	770.52	+2.03
S & P Ind	923.01	904.62	+2.03
NYSE Cp	411.98	405.51	+1.60
Nasdaq Cp	1,380.29	1,363.83	+1.21
Japan			
Nikkei 225	18,330.01	17,689.36	+ 3.62
Britain			
FTSE 100	4,275.80	4,218.80	+ 1.35
Canada			
TSE Indus.	6,109.58	6,033.58	+1.26
France			
CAC 40	2,516.56	2,430.34	+ 3.55
Germany			
DAX	3,035.15	2,998.24	+ 1.23
Hong Kong			
Hang Seng	13,321.79	13,379.55	—0.43
World			
MSCIP	822.32	826.05	—0.45

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States	Jan. 31	Jan. 24
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅝	5⅛
Japan		
Discount	0.50	0.50
Call money	0.43	0.43
3-month interbank	0.56	0.56
Britain		
Bank base rate	6.00	6.00
Call money	6⅛	6⅛
3-month interbank	6¼	6¼
France		
Intervention rate	3.10	3.15
Call money	3⅛	3¼
3-month interbank	3¼	3¼
Germany		
Lombard	4.50	4.50
Call money	4.25	3.15
3-month interbank	3.15	3.15

Gold	Jan. 31	Jan. 24	% Ch'ge
London p.m. fix.$	345.50	352.50	-1.99

Euromarts

Eurobond Yields

	Jan. 31	Jan. 24	Yr high	Yr low
U.S. $, long term	6.79	6.70	6.79	6.53
U.S. $, mdm term	6.39	6.39	6.43	6.10
U.S. $, short term	6.10	6.07	6.11	6.01
Pounds sterling	7.41	7.32	7.62	7.31
French francs	4.80	4.84	4.98	4.72
Italian lire	7.08	7.05	7.24	7.03
Danish kroner	5.63	5.66	5.72	5.52
Swedish kronor	4.97	4.82	5.19	4.82
ECUs, long term	6.01	5.93	6.19	5.93
ECUs, mdm term	4.82	4.79	5.04	4.79
Can. $	6.04	5.98	6.08	5.80
Aus. $	7.15	7.13	7.31	7.11
N.Z. $	7.32	7.34	7.35	7.19
Yen	1.72	1.72	1.94	1.92

Source: Luxembourg stock exchange.

Weekly Sales

Jan. 30

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	82.0	341.7	2,108.6	2,323.0
Convert.	140.0	—	8.5	—
FRNs	1,005.7	763.1	1,361.0	275.5
ECP	11,793.9	8,841.4	12,217.0	11,953.7
Total	13,021.6	9,946.2	15,695.1	14,552.2

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	19,780.0	21,063.2	80,067.8	34,401.2
Convert.	1,044.8	1,001.4	3,467.6	2,497.3
FRNs	16,420.6	5,762.4	53,390.3	11,082.2
ECP	11,454.5	13,301.0	23,478.6	33,769.7
Total	48,699.9	41,128.0	160,404.3	81,750.4

Source: Euroclear, Cedel Bank.

Libor Rates

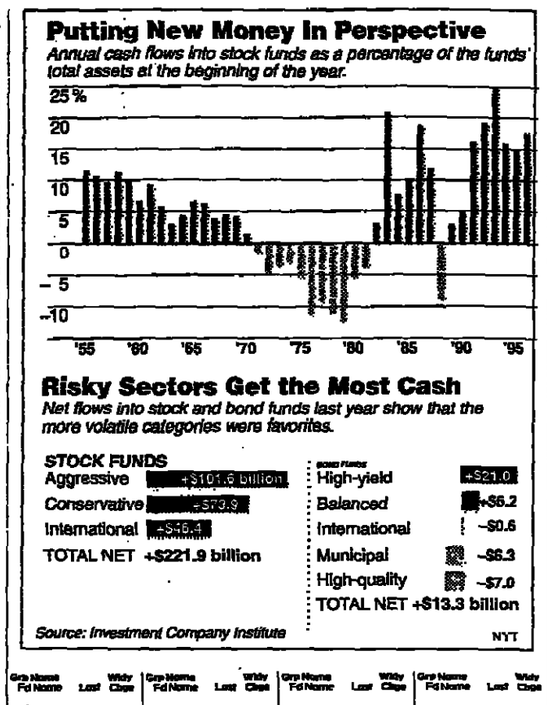
	1-month	3-month	6-month
U.S. $	5½	5⅝	5¾
Deutsche mark	3⅛	3⅛	3⅛
Pound sterling	6¼	6⅜	6⁹⁄₁₆
French franc	3⅜	3⅜	3⅜
ECU	4⅛	4⅛	4¼
Yen	½	⁹⁄₁₆	⁹⁄₁₆

Sources: Lloyds Bank, Reuters.

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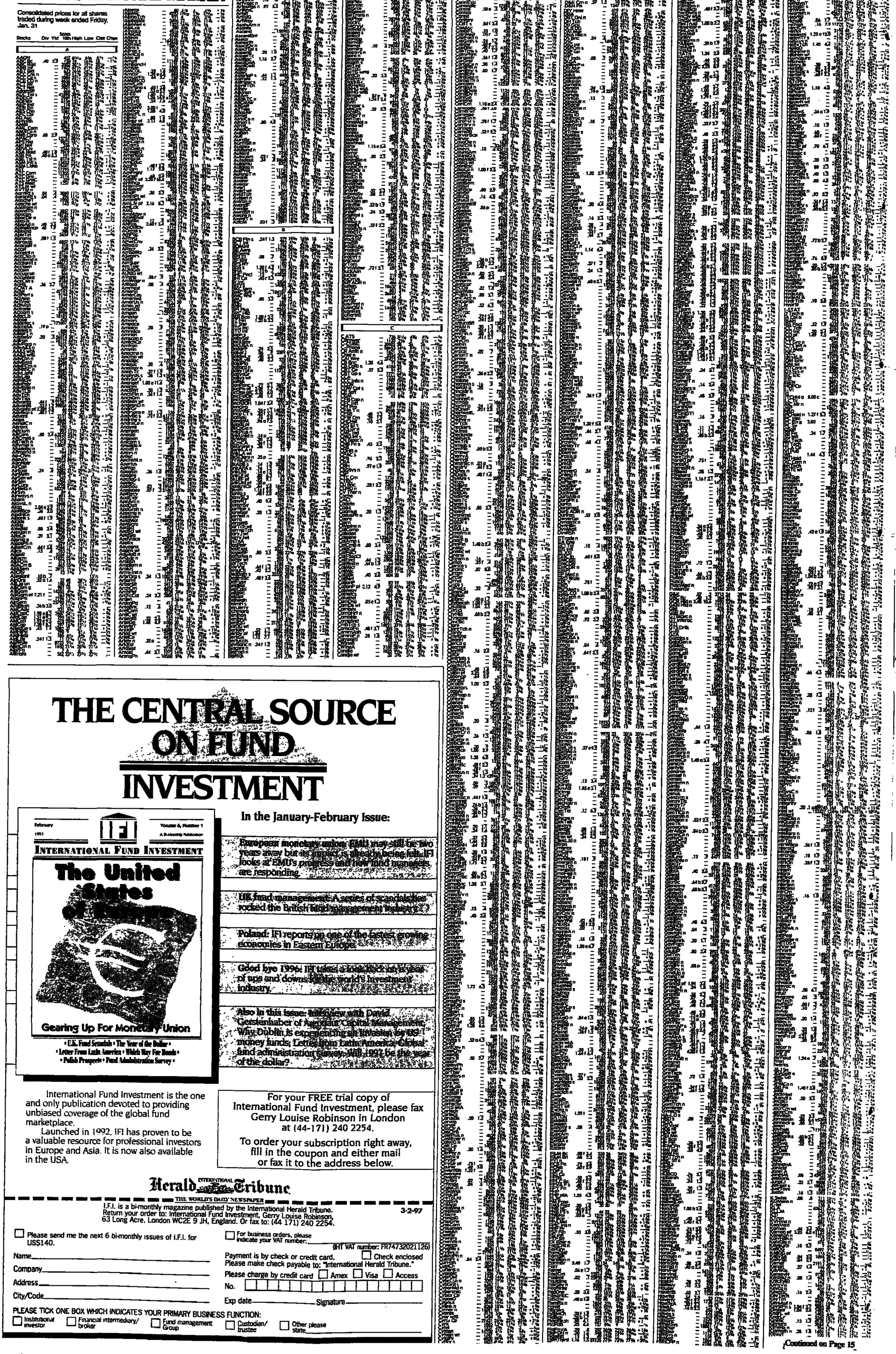
MUTUAL FUNDS

Figures as of close of trading Friday, Jan. 31



NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Jan. 31



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Continued on Page 15

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SHORT COVER

Israel Pulls Out of Jordan Gas Deal

AMMAN, Jordan (Reuters) — Israel has formally withdrawn from a joint venture with Jordan to set up a $300 million gas plant in Jordan that would have supplied the two countries with gas from the Gulf, Jordanian officials said Sunday.

"The project is nonexistent," said the Jordanian energy minister, Hashim Dabbas, adding that Israel had probably opted for other sources of gas.

The deal was agreed on at a Middle East economic summit meeting two years ago amid a wave of optimism about Arab-Israeli economic cooperation. Investors said Israel's withdrawal was based on economics.

A2000 to Run Dutch Phone Service

LONDON (Bloomberg) — A2000, a Dutch cable operator owned by U.S. West Media Group and United & Philips Communications, said Sunday that it had been granted a license to operate phone services in the Netherlands starting in July.

The cable company said it also negotiated an "interconnection agreement" with PTT Telecom BV that would allow its calls to pass through the PTT Telecom system and vice versa. The contract runs for one year, allowing the companies to renegotiate as the telephone market develops.

Fears of U.S.-Japan Trade Friction

WASHINGTON (Bloomberg) — The head of the American Automobile Manufacturers Association said Sunday that the yen's excessive depreciation threatens to reignite trade friction between the United States and Japan.

"The free fall of the yen is becoming a serious problem that is disrupting U.S. business planning and threatening many U.S. export opportunities," said Andrew Card, president and chief executive officer of the association.

Japan's merchandise trade surplus with the United States grew for the third straight month as the yen declined 8.5 percent against the dollar from August to December. The surplus rose 7.8 percent in December to 389.113 billion yen ($30.5 billion), the Finance Ministry in Tokyo said.

Placer Dome Raises Papua Stake

SYDNEY (Bloomberg) — Placer Dome Inc. of Canada said Sunday that it has raised to more than 76.5 percent its holding of the Papua New Guinea miner Highlands Gold Ltd., from 61.7 percent.

Highlands Gold directors last month recommended the takeover bid to shareholders, following an agreement to spin off its assets into a new company called Highlands Pacific Ltd.

Brazil Eases Item on Reform Bill

BRASILIA (Reuters) — Seeking to reduce opposition in Congress to its civil service reform bill, Brazil will relax a proposed limit on pay and perks for deputies and senior judges, a newspaper said Sunday.

A proposed limit on monthly pay and benefits for public sector employees ran into stiff opposition in Congress. The Jornal do Brasil reported Sunday that the bill would allow lawmakers to set a new ceiling for their total pay and benefits.

PG&E to Acquire Valero Energy

NEW YORK (NYT) — In the latest in a series of combinations designed to strengthen electric utilities for eventual competition, PG&E Corp. has announced it will acquire most of Valero Energy Corp. for $722.5 million in stock.

PG&E placed emphasis in the deal on gaining control of a group created by Valero that markets natural gas and electricity. Robert Glynn Jr., president of the utility, said Friday that Valero's marketing unit would provide a core around which the utility would build a nationwide marketing organization.

Clinton Team Unveils Tax-Relief Plans

The Associated Press

WASHINGTON — The administration outlined plans Sunday for $100 billion in tax relief over the next six years, with almost half going to a child tax credit. Republican budget writers, seeking a tax cut twice that size, offered half-hearted support.

The tax-relief proposal is a part of President Bill Clinton's plan, being announced Thursday, to balance the budget by 2002. It envisions $46.7 billion in cuts for a $500-per-child tax credit and cuts of $38.6 billion for various initiatives making higher education easier to obtain.

It also expands the income level on deductible Individual Retirement Accounts, eliminates the capital gains tax for most home sales and reduces the estate tax imposed on the death of a farmer or small business owner.

The $1,500 tax credit for the first two years of college and tax deduction of up to $10,000 for four years would make post-high school education free for most attending community colleges or state universities, the White House chief of staff, Erskine Bowles, said on CBS. "It will be an enormously helpful thing to a family," he said.

Republicans, seeking broader-based tax relief of close to $200 billion in their balanced-budget plan, praised Mr. Clinton's proposals while questioning his targeted cutting approach.

"I'm generally positive about this," the House Budget Committee chairman, Representative John Kasich of Ohio, said on NBC. But he said that under targeted cuts "it's a government that basically says if you jump through this hoop, we'll let you keep some of your money."

Representative William Archer of Texas, who chairs the tax-writing Ways and Means Committee, issued a statement welcoming the proposal's direction, but said: "I remain concerned that his tax cuts are temporary while his tax hikes are permanent. As a result his total tax package may add up to another tax increase, not tax relief."

The administration is looking at some $80 billion in new tax revenues, mostly on businesses and renewal of the expired airline ticket tax. About half that will come from ending what the director of the Office of Management and Budget, Franklin Raines, called "unwarranted corporate subsidies."

Negotiations on a final tax cut package are likely to focus on Republican demands for a far broader capital gains tax reduction, and Mr. Raines said that he administration "would be willing to talk about" a compromise. The administration plan covers an exclusion of $500,000 of capital gains for a couple selling a main residence.

Administration officials emphasized that beyond that, capital gains relief is of low priority.

The main items of the administration plan are:

- A phased-in $500 tax credit for dependent children: $46.7 billion.
- HOPE scholarship tax credits of up to $1,500 a year, available for the first two years of post-secondary education: $18.6 billion.
- A phased-in $10,000 tax deduction for post-secondary education and training: $17.6 billion.
- Tax breaks for businesses offering educational assistance and exclusion for forgiveness of certain student loans: $2.7 billion.
- Expanded income limits on deductible IRAs to $70,000 ($100,000 joint): $5.5 billion.
- Exclusion of $500,000 ($250,000 singles) of capital gains from selling a principal residence: $1.5 billion.
- Tax incentives for distressed areas: $2.4 billion.
- A new welfare-to-work credit through Sept. 30, 2000, to encourage hiring of long-term welfare recipients: $0.5 billion.
- Small business and farm estate tax relief: $0.7 billion.
- Other initiatives, including extending expiring tax provisions and providing new incentives for economic development in Puerto Rico: $4 billion.

Mutual Funds' Year: Their Best, or Not?

New York Times Service

NEW YORK — Everyone knows that 1996 was a record year for the mutual-fund industry. Or was it?

Mutual funds that invest in stocks took in more money last year than ever before, a whopping $221.9 billion, according to the Investment Company Institute, the funds' trade group. That raised total assets of stock funds to $1.75 trillion and easily beat the old record for inflows of $129.6 billion, set in 1993.

But when those inflows were measured as a percentage of assets, the year ranked no better than fifth, well behind the 1993 record, which equaled 24.8 percent of equity-fund assets. On that basis, last year's flows also fell short of levels reached in 1992, 1986 and 1983.

Cash flows into bond funds were well short of a record, though they were positive for the first time since 1993. Last year's bond inflows of $13.3 billion raised the category's assets to $886 billion but made up for only a portion of the $45 billion taken out in 1994 and 1995.

CHARITY: *Recipients Urge Anonymous Donors to Go Public in a Bid to Draw More From Others*

Continued from Page 11

ing to a 1991 study of professional fund-raisers by Indiana University.

And hound they do. In 1987, when Jerry Collins, a Florida multimillionaire with interests in greyhound racing, agreed to give publicly $1.3 million of his $75 million fortune to Oral Roberts University, solicitations from other causes flooded in — soon forming a 2-foot-high stack.

Mr. Collins, then 79, did not mind the attention. But he had to hire a graduate student to help keep track of all the requests.

Others are bashful because they want to conceal their wealth from former spouses, possible kidnappers and, in some cases, their own children. Mr. Feeney, for instance, chose anonymity in part to assure his offspring a more normal childhood. Some, of course, simply want to do good, with no fuss or ulterior motives.

But they all meet formidable resistance.

Michael Bloomberg, the founder of a financial and information services company, was crucial in persuading Mr. Sheridan to come forward. As Mr. Bloomberg, the chairman of the trustees of Johns Hopkins and himself the recent donor of $55 million to the school, explained: "Fundamentally, we are all followers. If I can get somebody to be the leader, others will follow. I can leverage that gift many times over."

At first, Mr. Sheridan, vice chairman of the school's trustees, wanted to avoid publicity.

"I was concerned about how our friends, our neighbors, our tennis group and our employees — we are an employee-owned company — would understand this," he said.

Mr. Sheridan said he knew that Mr. Bloomberg and William Richardson, then president of Johns Hopkins, were looking for a substantial gift, and he agreed in the end to give the $20 million over five years to the school's Eisenhower Library — and to do so publicly.

"Mike and Bill pushed me to understand the impact we could have on others," he said. "I have been surprised that what I did would influence people so strongly that they would commit to a larger gift than they had planned to, because we had done so."

But other donors still refuse. Though Mr. Bloomberg succeeded in getting Mr. Sheridan to go public, he failed to persuade a man who contributed $15 million to Johns Hopkins to do likewise.

"This donor has a history of making gifts anonymously," said Robert Lindgren, vice president for development and alumni relations at the university. "We asked him to let us use his name. He said no because he didn't want to be inundated with requests."

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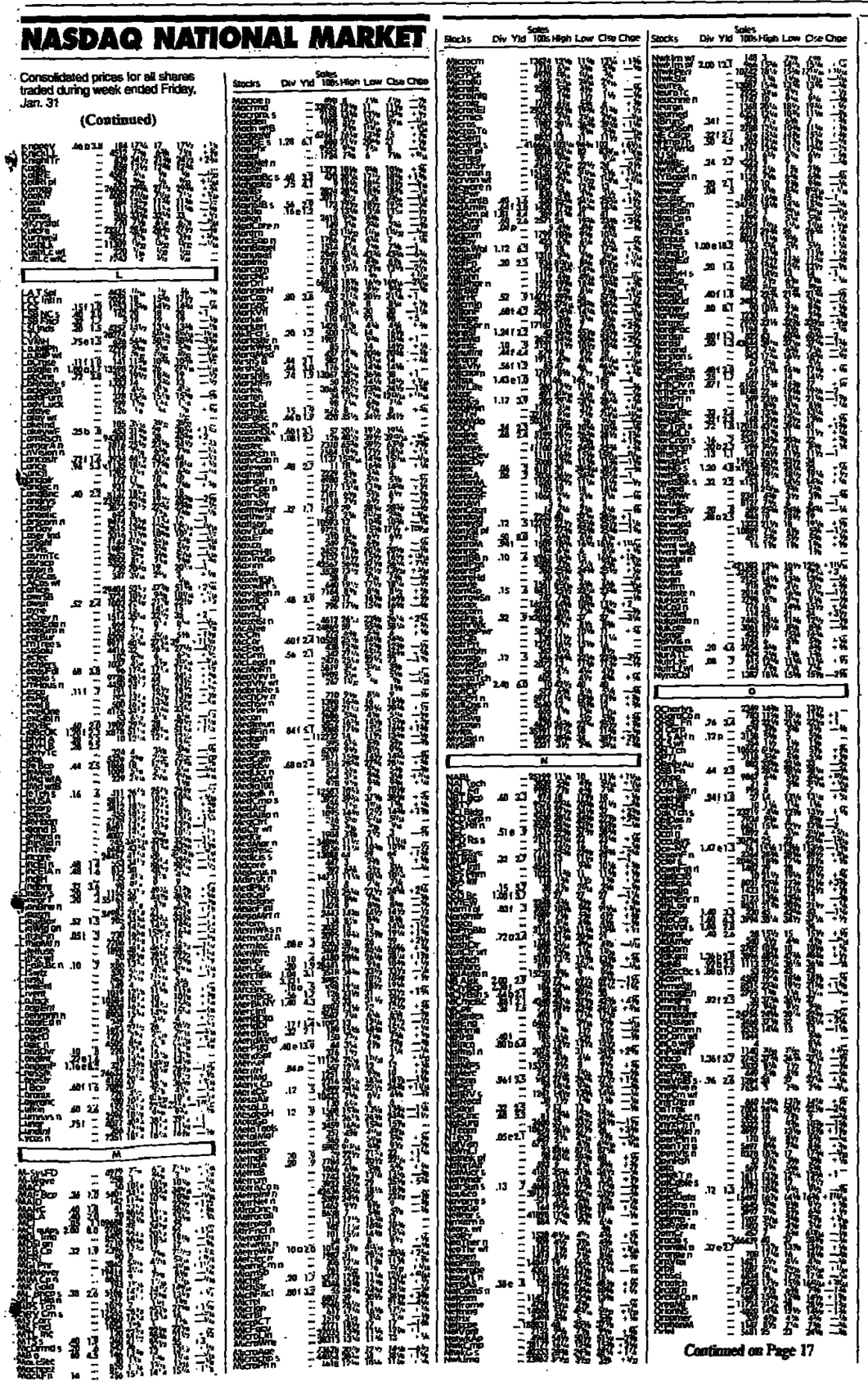
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(Continued)



Continued on Page 17

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Amid the Dollar's Gains, Traders Turn a Bit Cautious

By Carl Gewirtz
International Herald Tribune

PARIS — The mood in the foreign-exchange market remains uncontestedly upbeat about the dollar. But a mood of caution after last month's sharp appreciation of about 6 percent in Europe and 5 percent in Japan is likely to limit the speed of its rise.

The biggest immediate concern is a meeting of the Group of Seven leading industrialized nations in Berlin at the end of this week. European officials have been broadcasting that exchange rates will be a key topic of discussion.

The prevailing market view is that there is not much officials can do to stop the dollar, as long as the appeal of higher U.S. interest rates is not threatened by an upturn in rates in Germany and Japan that no one expects to come soon.

Reflecting the dollar's popularity, a historically high 48 percent of the record volume of international bonds launched in January was denominated in the U.S. currency.

Nevertheless, the meeting in Berlin is spreading an air of caution. A decision to intervene to stop the dollar would have little chance of success unless it were accompanied by a change in policies — and any such change looks improbable, given the disappointingly slow growth in Germany and Japan.

Intervention can be effective, at least in the short term, if huge speculative positions can be scared out of the market. But disarray within the G-7 rules out the prospect of coordinated intervention, analysts say.

France and Italy are believed to favor a strong dollar as a means of improving their own international competitiveness, and President Bill Clinton's administration is perceived as favoring a strong dollar to tame domestic growth and forestall an interest-rate increase by the Federal Reserve Board that could undermine U.S. stocks. What is less clear is how intent Germany and Japan are on halting the dollar's gains.

The president of the Bundesbank, Hans Tietmeyer, braked its ascent last week by saying the "normalization" of the dollar's exchange rate was "nearly over." But the German central bank's main fear, said Patrick Artus of Caisse des Depots in Paris, is not of importing inflation through a weakened exchange rate but of a sell-off in German bonds.

Close to 60 percent of German government bonds, or Bunds, are held by nonresidents of Germany, Mr. Artus said, and Germany "can't afford a weakening of the mark that scares foreign holders into dumping their bonds." German officials have often insisted that long-term interest rates have much more impact than short-term rates on business investment and overall growth.

The figure on nonresident holdings is exaggerated, as a large amount of it represents domestic tax evasion — principally, German money shipped to Luxembourg and reinvested in Bunds. But the exposure to foreigners is large compared with that of the French and Italian markets, where nonresident holdings are less than 10 percent.

Similarly, Mineko Sasaki-Smith at Credit Suisse First Boston in Tokyo argued that the Japanese government, which historically has aimed for a weak currency, had solid reasons for opposing a further rise in the dollar.

With Japan's official short-term interest rate pegged at a historically low 0.5 percent and wholesale prices rising at 0.8 percent in the past two months because of the weakening yen, bank depositors see the specter of negative interest rates, she said. If they withdraw deposits in search of higher yields, she warned, it would intensify Japan's banking crisis and risk destabilizing an already wobbly stock market.

Broad EMU Is 'Time Bomb,' Top German Bankers Warn

Reuters

DAVOS, Switzerland — Leading German bankers held out the prospect Sunday of turmoil on financial markets if Italy and "certain other countries" were allowed to help launch Europe's single currency in 1999.

Only by limiting economic and monetary union at first to countries with the strongest currencies can the euro hope to win the markets' confidence, they said at the annual World Economic Forum meetings in this ski resort.

"If Italy and certain other countries are in, a time bomb is ticking within EMU," a board member of Deutsche Bank AG, Ulrich Cartellieri, said. "The fiscal success that the government in Rome has enjoyed recently cannot be maintained in the long run."

Horst Siebert, president of the Kiel Institute of World Economics, said the Deutsche mark could plunge, with the dollar reaching 2 DM, if monetary union extended south of the Alps. The dollar closed in New York on Friday at 1.6386 DM.

"The euro will probably be weak, inflation will rise in Europe, we will have financial instability in world currency markets and political disputes on the dollar-euro exchange rate," he said.

Italy, Spain and Portugal have insisted for months that they will be founding members of the euro and have used tough savings drives to help meet national economic criteria on deficits, debt, inflation and interest rates.

"Spain can make it," said a Dresdner Bank AG board member, Ernst-Moritz Lipp. "Italy probably not. But it does not work politically to have Spain take part in EMU without Italy."

He said, "The political art and task for Germany and France now is to convince Spain to forgo joining EMU at the start." He called the possibility that a large number of countries would launch the single currency "a sword of Damocles hanging over financial markets."

Johann Wilhelm Gaddum, vice president of the Bundesbank, declined to speculate on which EU members might be in the founders' club but said, "If there are unjustified compromises in the selection process, there is the threat of turbulence." Finance Minister Theo Waigel said there was no point in speculating about participants until early next year, when countries' 1997 economic performance will determine their eligibility.

The president of the European Commission, Jacques Santer, said a "significant number" of countries would join, but he did not say which ones.

BANK: *Broader Horizons?*

Continued from Page 11

small group of countries and why countries such as Spain and Italy are determined to be present at the beginning.

According to the Maastricht treaty on European unity, the central bank's policy-making core will be a six-person executive board whose members will be appointed to eight-year terms by the first group of countries to adopt the euro.

If that group includes just Germany and a handful of hard-currency allies such as Austria, Belgium, France, Luxembourg and the Netherlands, the board is likely to continue to follow today's German-dictated monetary policy.

If the group includes southern European countries with less of a history of price stability, the board may take a more moderate stance.

One Spanish diplomat said the risk of being locked out of the executive board for the first eight years of monetary union is one of the biggest reasons Prime Minister Jose Maria Aznar has focused Spain's entire economic strategy on entering monetary union in 1999.

What do central bankers themselves think? Helmut Schlesinger, the former president of the Bundesbank, said the European central bank's sole objective under the Maastricht treaty was price stability.

But Wayne Angell, the chief economist of Bear, Stearns & Co. who stepped down from the Federal Reserve Board in 1994, predicted a more heterogeneous viewpoint that would reflect Europe's differing traditions toward money.

"It will develop its own flavor," Mr. Angell said. "I would expect that flavor to be somewhere between the Bundesbank and the Federal Reserve."

ROMANIA: *Constantinescu's Government Seeks $500 Million in Emergency IMF Aid*

Continued from Page 11

IMF standby credits, analysts said, plus a further $500 million from the World Bank. Last year, it received about $100 million of a planned $460 million standby IMF loan that was suspended ahead of November's elections. The IMF managing director, Michel Camdessus, visited Bucharest in December, and last Friday, Mr. Constantinescu met James Wolfensohn, the World Bank president, here in Davos.

In an interview here, Mr. Wolfensohn said he had discussed Romania's situation with Mr. Constantinescu. "I am very impressed with him and his policies," Mr. Wolfensohn said. "We look forward to working with his government in a supportive way."

The result of the austerity conditions that would come with an IMF and World Bank loan package, the Romanian president acknowledged, would be "extremely tough social consequences for Romania."

Mr. Constantinescu, 57, also said in the interview that he would travel to Brussels on Monday to ask the NATO secretary-general, Javier Solana Madariaga, to consider Bucharest's application for membership in the military alliance.

Observers, however, do not believe Romania stands much of a chance of early admission to the North Atlantic Treaty Organization.

Although Russia remains opposed to the idea of Romania joining NATO, Mr. Constantinescu said that was a top priority for his new government, "as well as for a huge majority of our people." He added that he would be happy to have NATO troops on Romanian soil and to offer airport facilities as well.

"The Romanian economy," he said, "is not working." He said gross domestic product in 1996 grew by 4.4 percent, but the new austerity program is expected to lead to zero growth in 1997. Likewise, unemployment was put at 6.4 percent by the previous government, and with the restructuring of state industries, it would probably jump to 10 to 12 percent this year.

And Romania's inflation rate, which was running at 57 percent in 1996, would spike up sharply because of the liberalizing of energy and other prices.

"The most optimistic figure for 1997 would be inflation of more than 80 percent," said the president. He said his aim, however, was to stabilize the economy and bring inflation down to an annualized rate of 25 percent by the end of 1997.

Mr. Constantinescu also said he was aware that the austerity plan would probably produce "very harsh reactions," but he asserted that there was no choice.

"The Romanian economy can be compared to a sick person who can be saved by open-heart surgery," the president said. "We do not have time to prepare the patient with vitamins. We will have to have the operation immediately but we will need a blood transfusion, otherwise the patient could die."

SOROS: *Financier Sees 'Crying Need' for a Debate Over Europe's Political Foundations*

Continued from Page 11

their economic conditions improve.

Q. Changing the subject, you have recently been at the center of controversy over your criticisms of the capitalist system. What is your message here?

A. My argument is that the fact that government intervention has proven to be ineffective and creating market distortions is no reason to believe that markets are perfect.

Q. But what exactly do you mean when you say that capitalism can be a threat to an open society?

A. In my view, the laissez-faire ideology is akin to the Marxist ideology in that it is rooted in a 19th-century view of social affairs. This is based on the phenomenal successes of the natural sciences. But the natural sciences have come to recognize the elements of uncertainty and chaos. We need to take that intellectual step of recognizing fallibility. That is my message.

Q. But could you try and relate this philosophical construct of yours to actual markets and capitalism?

A. Laissez-faire ideology has not been translated into reality when 35 percent of U.S. gross domestic product is the government sector. You could also say that Marxist ideology was not translated into Soviet communism. At the margin, we are being motivated by laissez-faire ideology, with examples such as welfare reform, or leaving it to business to take care of health care, and this has the unintended consequence of making the bureaucracy of health-maintenance organizations override the view of doctors.

Q. And what are some of your recommendations, then?

A. A different approach to health-care problems is needed. I think managed competition in the health sector was a crazy idea. But I don't actually have the answers. What I am doing is raising the problems; and I am trying, for example, to provide partial answers, such as the Emma Lazarus Fund to correct injustices done to illegal immigrants or the need to have more campaign finance reform, to create a "clean money" option. But there are no panaceas.

Q. Some of your critics say that much of what you are saying now reflects the guilt feelings of a man who has become enormously wealthy. How do you respond to this criticism?

A. Well, my ideas about fallibility, for example, have been very helpful in making the money.

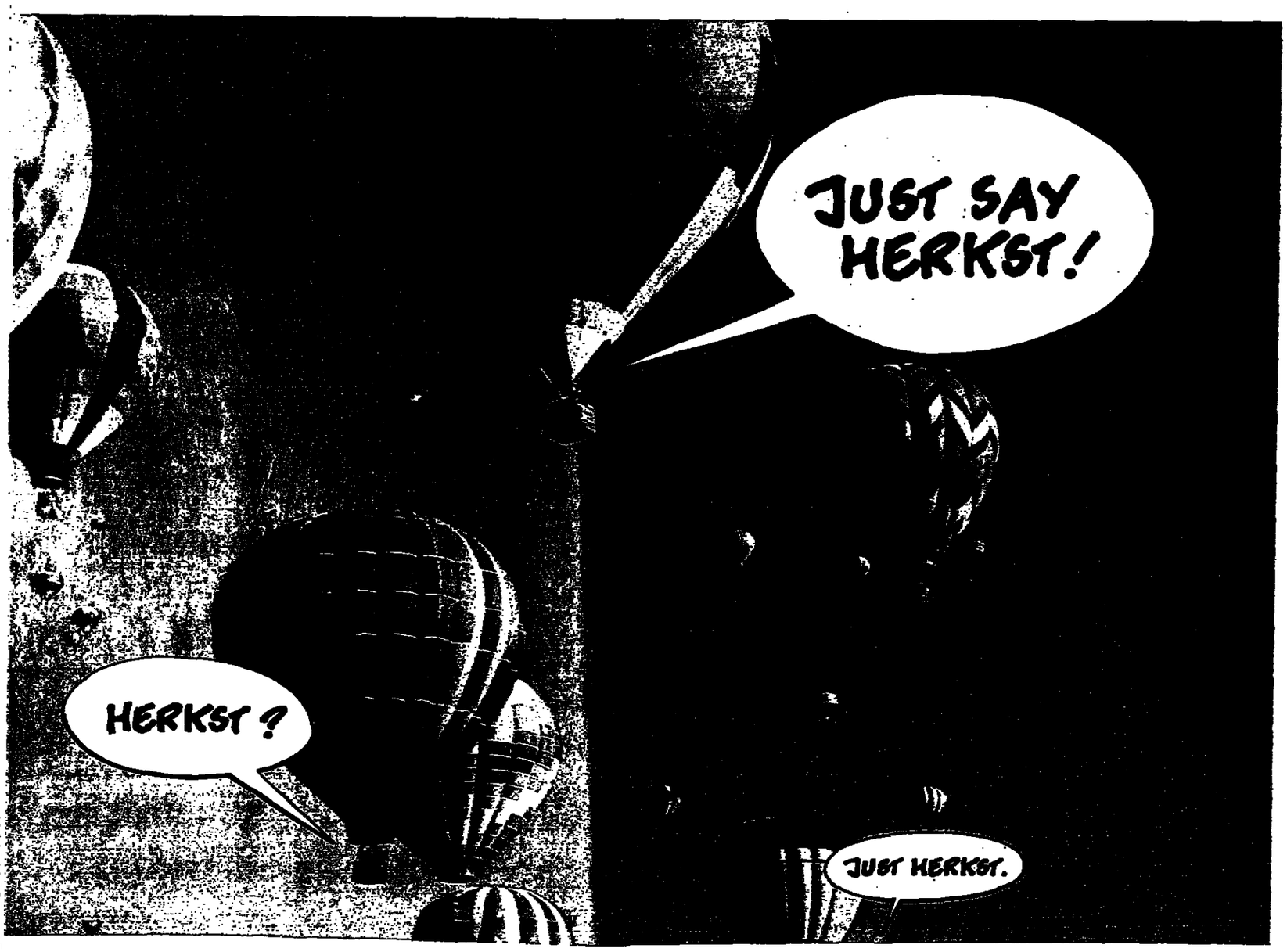
Q. Let's turn to Bosnia. Where do things stand at present, in your view?

A. The future of Bosnia remains up in the air. The institutions designed in Dayton are empty shells. So much depends on what happens in Belgrade and in Zagreb, and I would say even more in Zagreb because the hard core of Bosnia-Herzegovina remains intact. One can only hope that European statesmen will have learned from experience in Bosnia and will act to pre-empt more problems by devising a consistent policy in the region and then sticking to it. We should also think about disturbances in Albania, about social tensions in Macedonia.

Q. Is there any hope of apprehending the alleged war criminals in the region?

A. I think it would make a very big difference if that happened, but I don't have any indication of imminent action.

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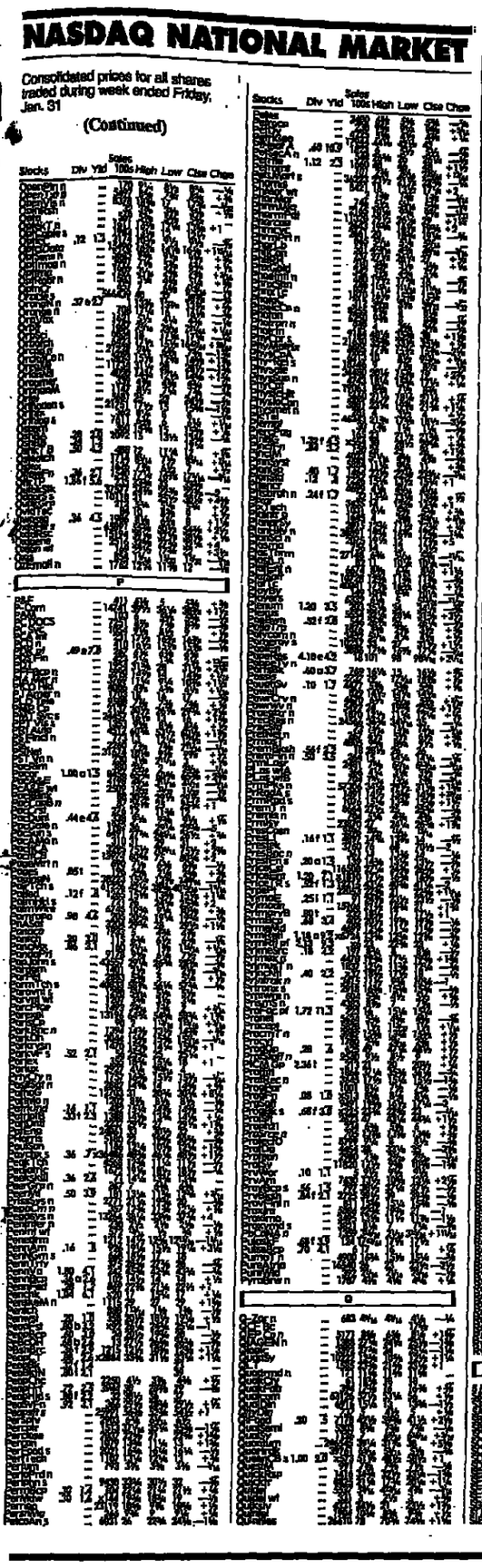
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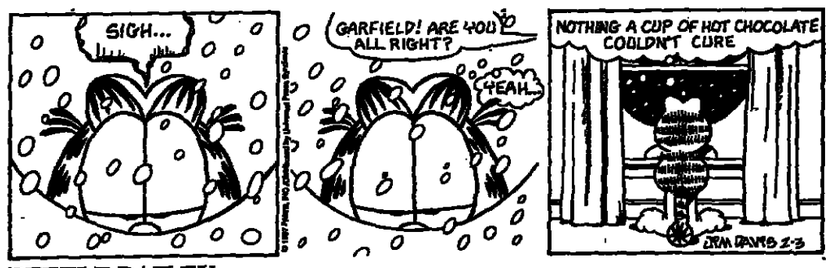
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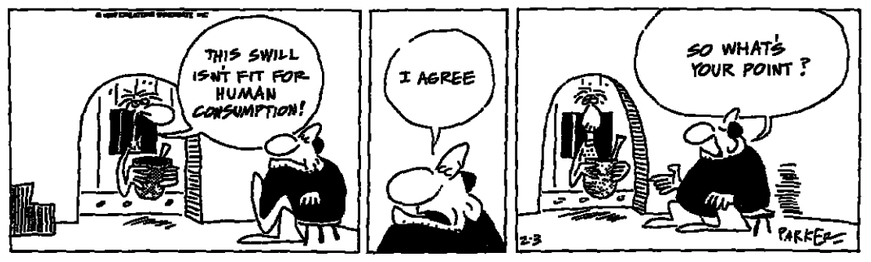
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England Trounces Scotland

But Errors Mar Match; Ireland Edges Wales

Reuters

LONDON — England produced a statistically impressive yet curiously disjointed victory in its opening game in the Five Nations' championship.

The defending champion overwhelmed Scotland on Saturday at Twickenham by a record winning margin of 41-13 for an England-Scotland Calcutta Cup match. However, it struggled to take control of the game and scored more than half its points in the space of five minutes after an hour of uninspiring and indifferent rugby.

FIVE NATIONS RUGBY

In the other second round match, Ireland, unbeaten in their previous six visits to Cardiff, triumphed again, albeit by only one point, with a 26-25 victory over Wales.

England's first-half performance was lackluster and it was lucky to take a 16-10 lead into the half time after referee Paddy O'Brien awarded a penalty try for deliberate offside.

Scotland, beaten 34-19 by Wales in its first match, narrowed the margin to three points before its defense cracked in the face of some sustained pressure by the massive England forwards.

Andy Gomarsall, England's scrum half, capitalized on a burst by lock Martin Johnson. Will Carling, who had an outstanding game, scored his first try against the Scots, and Phil de Glanville, Carling's successor as captain, scored the third.

England, though, still looked one-paced and lacked penetration for most of a match that was riddled with errors.

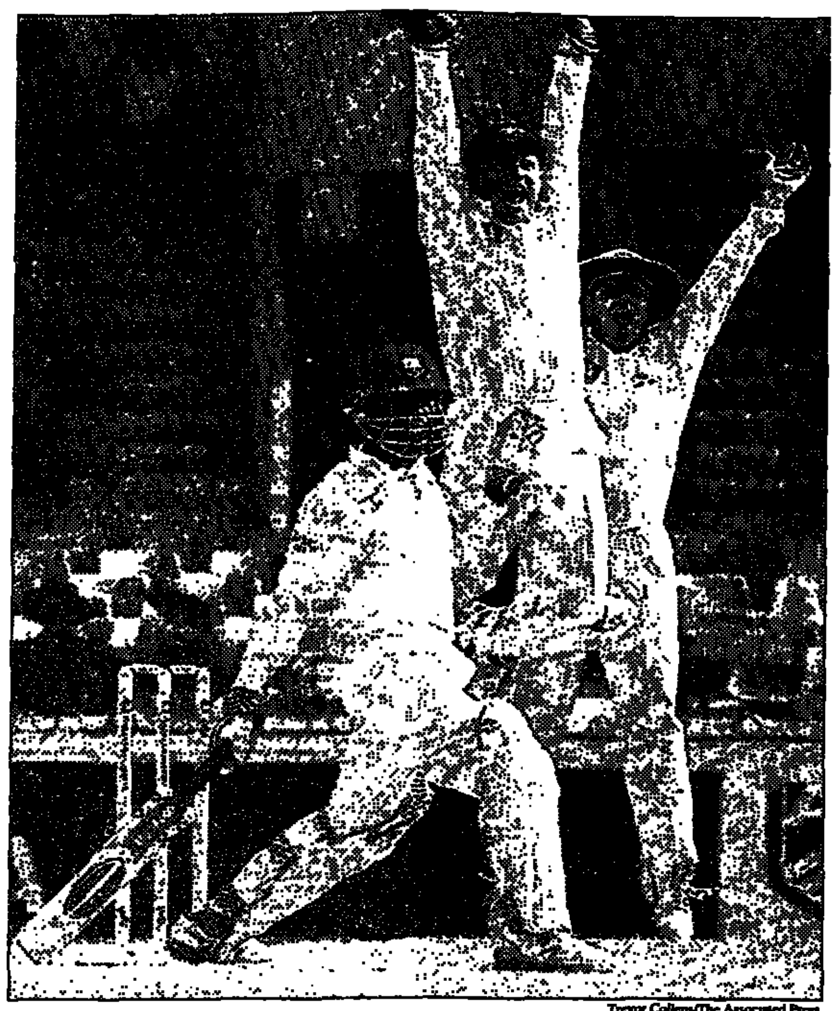
In Cardiff, Ireland, which had lost 32-15 to France in the opening round, conceded a try in the first minute but then ran up a 20-10 halftime lead through tries by Jonathan Bell, Eric Miller and new cap Dennis Hickie.

For Wales, Ieuan Evans scored a try in each half, improving his national record to 33, while Scott Quinnell was again impressive. He barged over late in the match for his second try of the championships reducing the deficit to a point.

Ireland held on in a frantic final few minutes and, as the Welsh skipper Jonathan Humphreys commented: "We left it far too late."

Evans, sprightly as ever at 33, has still not played in a winning Wales side against Ireland at home and talk of a Welsh revival will have to be put on hold for the time being.

"We let Ireland control the pattern of the game and they dominated us," Evans said. "We've got to pick ourselves up after this."



Trevor Collens/The Associated Press

West Indies batsman Phil Simmons looking to the umpire as Australian wicketkeeper Ian Healy, center, and captain Mark Taylor appeal the catch.

Lara Scores His First Century As West Indies Lead Australia

Reuters

PERTH, Australia — Brian Lara finally lived up to his reputation by scoring his first century of the test series as the West Indies built a substantial lead over Australia in the fifth and final test on Sunday.

The West Indies vice-captain hit 132 on the second day at the WACA Ground. His innings, which gradually increased in tempo and flamboyance after a cautious beginning, helped steer the visitors to 353 runs for seven wickets in reply to Australia's first innings 243. At the close of play, Carl Hooper was not out on 57.

Lara's century was his first first-class hundred on tour. He adopted an unusually patient approach early on after joining opener Robert Samuels in a crucial partnership.

The pair came together with the fall of Shivnarine Chanderpaul for three with, the total on 43 for two, and added 208 runs for the third wicket, the biggest West Indies partnership of the series.

Lara's dismal form had helped Australia build an unassailable 3-1 lead in the five-match series.

Samuels took five and a half hours and 228 deliveries to reach 76, his highest score of the test series.

In contrast, Lara faced 185 deliveries and smashed 22 fours and one six during his stay of nearly four hours at the crease. He cut loose after reaching his century, saving his most aggressive shots for leg-spinner Shane Warne. But early on, Lara's approach differed sharply from his previous efforts.

Until now, Lara has appeared determined to dominate the bowling from the outset, whatever the circumstances — a tactic that failed to pay off.

On Sunday, he was cautious in his shot selection while playing himself in, shedding the strokes that have so often led to his downfall on tour.

West Indies began the day on 25 for no wickets before losing opener Sherwin Campbell and Chanderpaul cheaply before lunch.

Fast bowler Curtly Ambrose underlined his importance to the visitors by taking five for 43 on Saturday on his return from an injury, while Steve Waugh and Michael Bevan both scored fine half-centuries.

Spaniard Wins Perth Golf Classic

Reuters

PERTH, Australia — Spain's Miguel Angel Martin sank a final-hole putt Sunday to stave off a late charge from Fred Couples of the United States and win golf's $924,000 Heineken Classic on Sunday.

Martin scrambled to save par on the 72d hole to complete a one-under 71 and finish with a 15-under 273 at the Vines Resort course, one shot ahead of Couples, who had trailed by five shots but clawed his way up the leaderboard with a final round of 67.

Couples reached the 17th tee at 15 under but put his second shot to the right of the green before taking a bogey five. He then played the 18th hole in regulation figures and watched as Martin made a jittery par on the final hole.

Martin hit his final drive down the middle of the 18th fairway but then used a wood for his second shot, which trickled over the back of the green into a bunker.

The Spaniard's recovery shot shaved the hole and he then rolled in the putt from 2.5 meters (8 feet, 3 inches) to take his second title on the European PGA tour.

Martin had begun the final round with a three-stroke lead over New Zealand's Frank Nobilo after a third round of 65. His lead had evaporated when he fell back to 13 under with a bogey five at the 12th hole.

But he regained his composure and put himself back on track for victory by rolling in a putt of 7.5 meters for a birdie on the 14th hole.

Marc Farry and Jean van de Velde of France finished in a three-way tie for third with Nobilo at 275.

The defending champion, Ian Woosnam of Wales, carded a final round of 66 to finish equal with Australia's Wayne Riley at 276.

Colin Montgomerie of Scotland, the world No. 3, hit a 67 to finish well back at 281, while John Daly, the former British Open and PGA champion, ended a disappointing weekend with a 76 to finish at the bottom of the leaderboard with 302.

Pebble Beach Record Sets Up Duval

Compiled by Our Staff From Dispatches

PEBBLE BEACH, California — In his three years on the PGA Tour, David Duval has grown a goatee, won $2 million, lost about 35 pounds and adorned himself with sunglasses roughly the size of a windshield.

But he hasn't won a tournament. On Saturday, Duval put himself in position to fill that ugly little hole in his record.

Duval stuffed a three-shot lead into his bag in the AT&T Pebble Beach National Pro-Am after he tossed a third-round 62 at poor old Pebble Beach, equaling Tom Kite's record set in 1983 under similar lift-and-place conditions.

Afterward, Duval tried to explain what went right.

"I don't know, I was just hittin' it and I went on from there," he said.

Duval's 54-hole total of 198 was 18 under par, but the chase was on.

Golf's elite has used the lift-clean-and-place rule to set new tournament scoring standards. An hour after Duval posted his 62, Tiger Woods came within a 12-foot putt of matching it. And David Frost also toured the famed layout in 63 on Friday.

Woods's 63 moved him to 11 under par, seven shots back of Duval, whose three-year career has been littered with near misses and second guesses. Five times over two seasons Duval has put himself in position to win, only to finish second each time.

"I think if it continues for a couple of years, I'll say, 'Yes, I thought I would have won a golf tournament by now,'" Duval said of his winless streak.

"But I've played well. In '95 I broke the tournament record here and got beat. The most important part for me the last couple of years has been to get better. I think I've proved I can compete out here, but to compete at the highest level I have to improve."

Duval might have proved that when he eagled two of the first seven holes Saturday to go out in 28, breaking the course record for nine holes by two strokes. This caught the attention of all challengers, including Woods.

"We were on No. 2 and looked up and saw 8 under after seven," said Woods in amazement. "We thought it had to be a team score."

Wrong. The team leaders were Craig Stadler and Glenn Frey, the rock musician, who shared first with Frank Lickliter and his amateur partner, Joe Mayernik, at 33 under.

The actor Jack Lemmon again failed to make the 54-hole cut, maintaining his record in more than two decades of playing in the tournament.

"I'd never been in a situation where I'd played seven holes and was more under par than holes I'd played," Duval said, smiling.

Duval might have to work even harder with Jim Furyk and Mark O'Meara breathing down his neck at 15 under par. O'Meara has four victories here in the last 11 events.

The Swedish competitor Jesper Parnevik was four shots back at 202 after his 67 at Spyglass.

Woods, in fifth place, said he learned quickly how to play Pebble Beach.

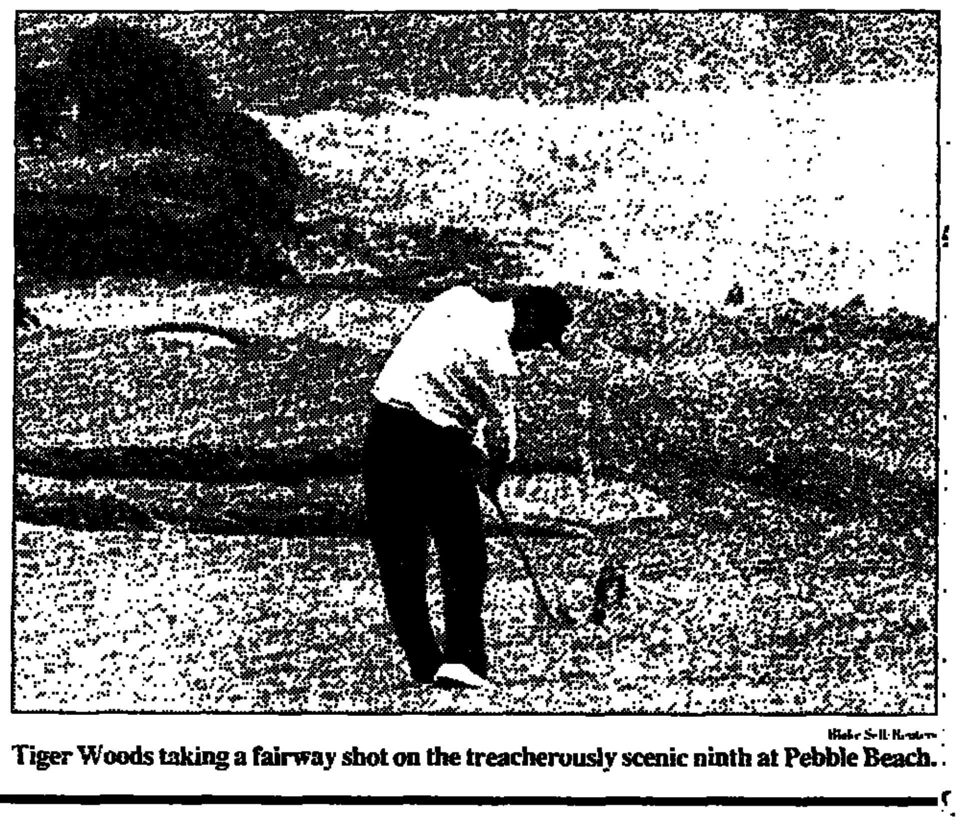
"You don't hit the ball in the ocean," he said.

Woods wasn't happy about the distractions caused by fans taking pictures when he was swinging.

This is the only PGA Tour event that permits spectators to use cameras.

"It's really ridiculous when we're trying to play," Woods said. "People want to have that one shot. Unfortunately, it's at our expense.

"A lot of people are being inconsiderate. They fail to realize we are playing for a living out here." *(NYT, LAT)*



Blake Sell/Reuters

Tiger Woods taking a fairway shot on the treacherously scenic ninth at Pebble Beach.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	33	12	.733	—
New York	32	13	.711	1
Orlando	21	20	.512	10
Washington	22	22	.500	10½
New Jersey	12	31	.279	20
Philadelphia	11	34	.244	22
Boston	10	32	.238	21½
CENTRAL DIVISION				
Chicago	40	5	.889	—
Detroit	33	11	.750	6½
Atlanta	30	13	.698	9
Charlotte	26	19	.578	14
Cleveland	24	20	.545	15½
Indiana	21	22	.488	18
Milwaukee	21	24	.467	19
Toronto	16	28	.364	23½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	32	13	.711	—
Utah	31	14	.689	1
Minnesota	21	24	.467	11
Dallas	15	28	.349	16
Denver	14	32	.304	18½
San Antonio	11	31	.262	19½
Vancouver	8	40	.167	25½
PACIFIC DIVISION				
L.A. Lakers	33	12	.733	—
Seattle	32	13	.711	1
Portland	25	21	.543	8½
Sacramento	20	26	.435	13½
L.A. Clippers	18	25	.419	14
Golden State	17	28	.378	16
Phoenix	15	31	.326	18½

FRIDAY'S RESULTS

Minnesota 19 28 25 25—97
San Antonio 25 26 19 25—95
M: Garnett 12-16 5-5 30, Gugliotta 7-19 8-8 22; S.A.: Wilkins 8-16 11-11 27, Maxwell 8-17 6-6 27. Rebounds—Minnesota 54 (Garnett 20), San Antonio 36 (Anderson 9). Assists—Minnesota 27 (Porter 8), San Antonio 20 (Johnson 6).
Washington 22 22 24 27—95
Seattle 25 20 30 22—97
W: Webber 8-14 3-4 20, Cheaney 8-14 0-0 16; S: Payton 8-23 1-2 19, Schrempf 7-16 4-6 18. Rebounds—Washington 51 (Webber 10), Seattle 54 (Kemp 10). Assists—Washington 21 (Strickland 10), Seattle 24 (Payton 7).
Atlanta 23 25 25 14—87
Vancouver 25 18 21 12—76
A: Smith 7-14 8-8 24, Blaylock 9-15 1-2 21; V: Abdur-Rahim 10-23 4-5 24, Peeler 7-15 0-0 18. Rebounds—Atlanta 50 (Mutombo 15), Vancouver 39 (Abdur-Rahim 10). Assists—Atlanta 17 (Smith 6), Vancouver 27 (Anthony 12).
Chicago 35 25 31 24—115
Golden State 8 27 27 30—92 C: Pippen 14-24 2-3 32, Kukoc 7-10 4-5 18, Jordan 8-17 1-1 18; G.S.: Smith 7-15 1-2 16, Armstrong 7-12 0-1 15. Rebounds—Chicago 51 (Pippen 10), Golden State 43 (Smith 8).
Assists—Chicago 27 (Jordan 8), Golden State 24 (Coles 6).
Portland 32 30 23 20—105
Boston 25 19 33 34—111
P: Trent 10-17 4-4 24, Robinson 8-14 2-2 21; B: Fox 13-22 2-2 33, Wesley 7-16 4-4 20. Rebounds—Portland 55 (Wingfield 12), Boston 51 (Fox 12). Assists—Portland 19 (Anderson 6), Boston 24 (Wesley 11).
Orlando 27 31 25 26—109
Philadelphia 31 21 15 32—99
O: Hardaway 10-17 6-6 27, Grant 8-11 0-0 16; P: Iverson 10-16 6-10 26, MacLean 11-19 2-4 24. Rebounds—Orlando 48 (Grant, Seikaly, Strong 7), Philadelphia 54 (Cage 9). Assists—Orlando 32 (Anderson 8), Philadelphia 21 (Iverson 8).
Milwaukee 23 24 25 23—95
Charlotte 36 28 16 22—102
M: Allen 8-15 4-5 22, Baker 8-21 2-4 18, Robinson 7-17 3-3 18; C: Rice 13-20 12-13 43, Curry 8-12 2-2 20. Rebounds—Milwaukee 45 (Baker 12), Charlotte 50 (Divac 12).
Assists—Milwaukee 10 (Perry 5), Charlotte 25 (Mason 9).
Houston 19 19 16 20—74
Indiana 34 23 20 23—100
H: Mack 5-11 1-2 15, Elie 4-8 4-4 12, Harrington 5-10 2-5 12; I: Miller 12-20 6-7 33, D.Davis 8-15 1-5 17. Rebounds—Houston 46 (Harrington 13), Indiana 62 (D.Davis 11).
Assists—Houston 15 (Livingston 4), Indiana 21 (Best 8).

SATURDAY'S RESULTS

Detroit 24 22 21 23—90
New Jersey 17 18 19 21—75
D: Hill 7-14 8-8 22, Thorpe 10-12 3-7 23; N.J.: Gill 6-17 4-4 16, J.Williams 5-18 1-3 11. Rebounds—Detroit 47 (Hill 11), New Jersey 51 (J.Williams 15). Assists—Detroit 17 (Hill 11), New Jersey 24 (Reeves 12).
Phoenix 24 29 24 9—86
Toronto 31 33 25 21—110
P: Person 8-19 5-7 23, Manning 6-13 3-5 15; T: Williams 12-19 3-3 33, Camby 6-15 5-7 17. Rebounds—Phoenix 52 (Bryant 10), Toronto 61 (Jones 14). Assists—Phoenix 23 (Johnson, Nash 6), Toronto 34 (Stoudamire 13).
Miami 18 16 13 24—71
Cleveland 15 15 18 18—66
M: Mourning 7-10 1-2 15, Hardaway 3-15 5-5 11; C: Brandon 6-15 2-2 15, Hill 4-8 6-6 14. Rebounds—Miami 45 (Brown 13), Cleveland 45 (Hill 12). Assists—Miami 14 (Brandon 6), Cleveland 20 (Hardaway 9).
Utah 14 29 36 18—97
Dallas 26 21 21 32—100
U: Malone 13-28 10-13 36, Russell 4-8 2-4 12; D: Harper 8-12 9-12 29, Harper 8-12 9-12 29, Gatling 8-17 3-7 19. Rebounds—Utah 61 (Ostertag 13), Dallas 46 (Gatling 12). Assists—Utah 25 (Stockton 13), Dallas 21 (Harper 11).
Sacramento 37 26 30 20—113
Denver 28 33 29 17—107
S: Richmond 15-28 3-4 35, Gamble 9-13 0-0 23; D: L.Ellis 11-24 2-3 27, McDyess 8-17 7-8 23, Pierce 7-10 9-9 23. Rebounds—Sacramento 55 (Richmond 13), Denver 44 (L.Ellis 7). Assists—Sacramento 24 (Polynice, Abdul-Rauf 5), Denver 19 (Jackson 16).
Philadelphia 24 32 20 33—109
Milwaukee 35 22 16 27—100
P: Iverson 8-23 7-12 23, Stackhouse 6-11 9-14 21; M: Baker 8-12 6-8 22, Robinson 7-19 3-4 17. Rebounds—Philadelphia 48 (Davis 10), Milwaukee 46 (Baker 10). Assists—Philadelphia 22 (Iverson 14), Milwaukee 26 (Allen 9).
Golden State 25 19 30 24—98
L.A. Clippers 25 28 31 26—110
G.S.: Sprewell 12-22 11-12 40, Smith 8-14 7-8 23; L.A.: Vaught 11-17 3-4 25, Rogers 9-12 0-4 19. Rebounds—Golden State 39 (Spencer 8), Los Angeles 44 (Vaught 13). Assists—Golden State 15 (Armstrong 6), Los Angeles 25 (Martin 7).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	29	15	7	65	161	126
Florida	26	15	10	62	147	118
N.Y. Rangers	26	20	7	59	182	147
New Jersey	24	17	8	56	129	123
Washington	21	25	5	47	134	139
Tampa Bay	18	25	6	42	137	156
N.Y. Islanders	16	26	9	41	137	149
NORTHEAST DIVISION						
Pittsburgh	28	18	5	61	188	155
Buffalo	27	19	5	59	147	133
Hartford	20	23	7	47	146	163
Montreal	19	25	9	47	166	187
Boston	19	25	6	44	144	173
Ottawa	16	23	10	42	132	144

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	29	18	4	62	154	123
Detroit	23	17	9	55	148	112
St. Louis	25	24	4	54	160	165
Phoenix	22	25	4	48	140	161
Chicago	19	26	8	46	133	141
Toronto	19	33	1	39	153	185
PACIFIC DIVISION						
Colorado	31	13	8	70	177	122
Edmonton	25	22	5	55	164	151
Vancouver	24	24	2	50	157	164
Anaheim	20	24	6	46	144	150
Calgary	19	26	6	44	129	151
San Jose	19	26	5	43	132	158
Los Angeles	18	28	6	42	141	181

FRIDAY'S RESULTS

Dallas 0 0 1—1
Buffalo 0 2 1—3
First Period: None. Second Period: B-Plante 22 (Barnaby, Zhitnik) 2, B-Ward 7 (Peca, Smehlik) Third Period: D-Modano 23 (Langenbrunner, Nieuwendyk) 4, B-Barnaby 12. Shots on goal: D- 10-17-8—35. B- 9-12-3—24. Goalies: D-Irbe. B-Hasek.
Toronto 1 1 1 0—3
New Jersey 1 2 0 0—3
First Period: T-Muller 16 (T.Pederson, Nedved) 2, N.J.-Andreychuk 17 (Sullivan, Rolston) (pp). Second Period: T-Gilmour 11 (Nedved) 4, New Jersey, Holik 10, 5, N.J.-D.Pederson 7 (Rolston, Guerin) Third Period: T-Warriner 10 (Muller, Nedved) Overtime: None. Shots on goal: T- 10-8-5-2—25. N.J.- 11-9-15-3—38. Goalies: T-Cousineau. N.J.-Brodeur.
Edmonton 1 0 0—1
First Period: E-McAmmond 9 (Czerkawski, Dufresne) Second Period: None. Third Period: None. Shots on goal: New York 6-6-12—24. E- 11-11-14—36. Goalies: New York, Salo. E-Joseph.
Hartford 0 2 1—3
Anaheim 3 2 1—6
First Period: A-Kariya 21 (Selanne, Rucchin); 2, A-Bellows 7 (Mironov, Selanne) (pp). 3, A-, Selanne 29 (Kariya, Baumgartner) Second Period: H-O'Neill 11 (Wesley, Ranheim) (pp). 5, A-Pronger 3 (Valk) 6, H-O'Neill 12 (Diduck) (pp). 7, A-Pronger 4 (Mironov, Selanne) Third Period: H-O'Neill 13 (Manderville, Dineen) 9, A-Rucchin 12 (Kariya, Dollas) Shots on goal: H- 14-16-11—41, A- 12-13-9—34. Goalies: H-Muzzatti. A-Hebert.

SATURDAY'S RESULTS

Colorado 0 1 0—1
San Jose 1 0 1—2
First Period: S.J.-Nolan 22 (Guolla, Bodger) Second Period: C-Young 15 (Lacroix, Gusarov) Third Period: S.J.-Friesen 15 (Nolan, Bodger) Shots on goal: C- 10-6-11—27. S.J.- 8-13-9—30. Goalies: C-Roy. S.J.-Belfour, Hrudey.
Washington 0 2 1—3
Florida 0 0 1—1
First Period: None. Second Period: W-Pivonka 4 (Bondra) 2, W-Carter 1, Third Period: W-Bondra 32 (Housley) 4, F-Lowry 10 (Murphy, Dvorak) (pp). Shots on goal: W- 11-11-5—27. F- 6-7-8—21. Goalies: W-Carey. F-Vanbiesbrouck.
Detroit 1 1 2—4
St. Louis 0 0 1—1
First Period: D-Rouse 3, Second Period: D-Shanahan 27 (Kozlov, Larionov) Third Period: S.L.-Hull 29 (Pronger) 4, D-Shanahan 28, (sh). 5, D-Kozlov 16. Shots on goal: D- 10-8-8—26. S.L.- 6-11-9—26. Goalies: D-Vernon. S.L.-Fuhr.
N.Y. Rangers 1 1 2—4
Philadelphia 0 2 0—2
First Period: New York, Sundstrom 18 (Gretzky) Second Period: P-Podein 11 (Desjardins, Otto) 3, P-Lindros 15 (LeClair, Zubrus) 4, New York, Karpovtsev 6 (Laetch, Sundstrom) (pp). Third Period: New York, Messier 28 (Graves) 6, New York, Nemchinov 5 (Leetch, Robitaille) Shots on goal: New York 7-3-7—17. P- 12-16-13—41. Goalies: New York, Richter. P-Hextall.
Pittsburgh 2 0 2—4
First Period: P-Lemieux 35 (Moran) 2, Phoenix, Tkachuk 32 (Janney, MacIver) 3, P-Lemieux 36 (Nedved, Woolley) Second Period: None. Third Period: P-Nedved 23 (Johnson, Hicks) 5, P-Dziedzic 5 (Barnes) Shots on goal: Phoenix 9-11-10—30. P- 10-8-15—33. Goalies: Phoenix, Khabibulin. P-Lalime.
Boston 1 0 2—3
Tampa Bay 0 0 0—0
First Period: B-Bourque 10 (Sweeney, Ray) Second Period: None. Third Period: B-Donato 16 (Bourque) 3, B-, DiMaio 12 (Oates, Bourque) (sh-en). Shots on goal: B- 8-7-12—27. T- 9-6-10—25. Goalies: B-Tallas. T-Tabaracci.
New Jersey 1 2 1 0—4
Montreal 0 3 1 0—4
First Period: N.J.-Zelepukin 7 (Niedermayer, McKay) Second Period: M-Rucinsky 15 (Damphousse) (sh), 3, N.J.-Andreychuk 18 (Odelein) 4, N.J.-, Andreychuk 19 (Holik) 5, M-Stevenson 3, 6, M-Savage 18 (Corson, Recchi) Third Period: M-Richer 15 (Stevenson, Tucker) 8, N.J.-Sullivan 4 (Niedermayer, Odelein) Overtime: None. Penalties—None. Shots on goal: N.J.- 20-14-13-2—49, M- 7-6-11-3—27. Goalies: N.J.-Dunham. M-Thibault.
Ottawa 1 0 1—2
Toronto 1 0 0—1
First Period: T-Domi 6 (Wolanin) 2, O-Van Allen 4 (Laukkanen) (sh). Second Period: None. Third Period: O-McEachern 4 (Redden) Shots on goal: O- 16-10-12—38. T- 9-7-4—20. Goalies: O-Rhodes. T-Potvin.
Chicago 1 2 0—3
Los Angeles 2 0 0—2
First Period: L.A.-Ferraro 18 (Lapointe) 2, L.A.-Numminen 12 (Blake, Khristich) (pp). 3, C-, Savard 6 (Sykora, Dahlen) Second Period: C-Black 10 (Shantz, Carney) 5, C-Dahlen 10 (Savard, Amonte) Third Period: None. Shots on goal: C- 14-13-9—36. L.A.- 11-8-9—28. Goalies: C-Hackett. L.A.-DaFoe.
Vancouver 0 0 0—0
Calgary 0 2 1—3
First Period: None. Second Period: C-Gavey 4 (Reichel, Racine) (pp). 2, C-Gavey 5 (Chiasson, Racine) (pp). Third Period: C-Ward 3. Shots on goal: V- 11-5-15—31. C- 8-12-6—26. Goalies: V-McLean. C-Kidd.

CRICKET

FIFTH TEST

AUSTRALIA VS. WEST INDIES

SUNDAY, IN PERTH AUSTRALIA

Australia 1st innings: 243
West Indies 1st innings: 353- 7.

TOUR MATCH

NEW ZEALAND A VS. ENGLAND

SUNDAY, IN WANGANUI, NEW ZEALAND

New Zealand A 1st innings: 181
England 1st innings: 107
New Zealand A 2d innings: 288
England 2d innings: 166- 6
New Zealand A won by 90 runs.

ONE DAY INTERNATIONAL MATCH

SOUTH AFRICA VS. INDIA

South Africa innings: 180-4 (45.1 overs)
India innings: 179-9
South Africa won by six wickets.

GOLF

Ryder Cup Points

Leading European Ryder Cup standings after Sunday's Heineken Classic:

1, Colin Montgomerie, Britain, 311,711 points; 2, Miguel Angel Martin, Spain, 251,575; 3, Thomas Bjorn, Denmark, 204,501; 4, Darren Clarke, Britain, 181,402; 5, Costantino Rocca, Italy, 176,247; 6, Sam Torrance, Britain, 147,947; 7, Per-Ulrik Johansson, Sweden, 144,823; 8, Jean van de Velde, France, 141,261; 9, Paul Broadhurst, Britain, 121,438; 10, Ian Woosnam, 100,830; 11, Peter Mitchell, Britain, 97,998; 12, Lee Westwood, Britain, 97,752; 13, Miguel Angel Jimenez, Spain, 91,557; 14, Padraig Harrington, Ireland, 84,159; 15, Roger Chapman, Britain 82,297.

SOCCER

ENGLISH PREMIER LEAGUE

Aston Villa 1, Sunderland 0
Blackburn 2, West Ham 1
Derby 0, Liverpool 1
Everton 2, Nottingham Forest 0
Leeds 0, Arsenal 0
Manchester United 2, Southampton 1
Sheffield Wednesday 0, Coventry 0
Tottenham 1, Chelsea 2
Wimbledon 1, Middlesbrough 1
STANDINGS: Manchester United 50; Liverpool 49; Arsenal 47; Newcastle 42; Chelsea 41; Wimbledon 39, Aston Villa 39; Sheffield Wednesday 35; Everton 31, Tottenham 31; Leeds 30; Sunderland 29; Blackburn 27, Leicester 27, Coventry 27; Derby 25; Nottingham Forest 23; West Ham 22; Southampton 20; Middlesbrough 19

SPANISH FIRST DIVISION

Celta Vigo 1, Atletico Madrid 1

FRENCH FIRST DIVISION

Paris St Germain 1, Cannes 1
Lille 0, Bordeaux 0
Nice 0, Marseille 0
Rennes 1, Caen 1
Auxerre 1, Nancy 0
Metz 0, Nantes 1
Lens 2, Guingamp 1
Le Havre 0 Montpellier 0
STANDINGS: Monaco 51; Paris St Germain 45; Bastia 42; Auxerre 41, Bordeaux 41; Strasbourg 40; Metz 39; Nantes 38; Marseille 34; Guingamp 32, Lyon 32, Rennes 32; Cannes 30, Lille 30; Lens 29; Le Havre 27; Montpellier 26; Caen 21; 19, Nancy Nice 18

ITALIAN FIRST DIVISION

Bologna 6, Verona 1
Cagliari 0, Juventus 0
Milan 2, Sampdoria 2
Parma 1, Piacenza 0
Perugia 0, Inter 0
Reggiana 1, Napoli 1
Roma 2, Vicenza 0
Udinese 2, Lazio 3
STANDINGS: Juventus 37; Sampdoria 35; Bologna 31; Vicenza 30, Inter 30, Parma 30; Napoli 28; Roma 27, Atalanta 27; Fiorentina 26, Lazio 26; Milan 25; Udinese 23; Piacenza 20; Perugia 19; Cagliari 16; Verona 14; Reggiana 11

SCOTTISH PREMIER DIVISION

Aberdeen 2, Kilmarnock 1
Dundee United 1, Celtic 0
Dunfermline 3, Motherwell 1
Hibernian 1, Raith 1
Rangers 0, Hearts 0

INTERNATIONAL FRIENDLY

China 1, U.S. 1

RUGBY UNION

Five Nations Cup

England 41, Scotland 13
Ireland 26, Wales 25

STANDINGS

	P	W	L	D	PF	PA	P
England	1	1	0	0	41	13	2
France	1	1	0	0	32	15	2
Wales	2	1	0	1	59	45	2
Ireland	2	1	0	1	41	57	2
Scotland	2	0	0	2	32	75	0

TENNIS

SHANGHAI OPEN

MEN'S SINGLES

SEMIFINALS

Jan Kroslak (7), Slovakia, def. Leander Paes, India, 6-2, 6-4; Alexander Volkov (8), Russia, def. Brett Steven, New Zealand, 7-6 (7-5), 7-5.

DOUBLES

Tomas Nydahl, Swe., and Stefano Pescosolido, It., def. Slava Dosedel, Czech Republic, and Jan Kroslak, Slov., 6-4, 7-5; Max Mirnyi, Belarus, and Kevin Ullyet, Russia, def. Andrei Olhovskiy, Rus., and Brett Steven, New Zea., 7-6 (7-6), 3-6, 7-6 (7-6).

FINAL

Jan Kroslak (7), Slovakia, def. Alexander Volkov (8), Russia, 6-2, 7-6, (7-2).

DOUBLES

Max Mirnyi, Belarus, and Kevin Ullyet, Russia, def. Tomas Nydahl, Sweden, and Stefano Pescosolido, Italy, 7-6 (7-5), 6-7 (7-4), 7-5.

TORAY PAN PACIFIC

WOMEN'S SINGLES

SEMIFINALS

Martina Hingis (2), Switzerland, def. Anke Huber (4), Germany, 6-1, 5-7, 6-2; Steffi Graf (1), Germany, def. Brenda Schultz-McCarthy (8), Netherlands, 6-1, 7-5.

FINAL

Martina Hingis (2), Switzerland, walked over Steffi Graf (1), Germany.

DOUBLES

FINAL

Lindsay Davenport, US, and Natasha Zvereva, Belarus (2), def. Gigi Fernandez, United States, and Martina Hingis, Switzerland (1), 6-4, 6-3.

SKIING

Leading results Saturday, of the women's World Cup downhill in Laax, Switzerland: 1, Warwara Zelenskaja, Russia, 1 minute 24.98 seconds; 2, (tie) Renate Goetschl, Austria, 1:25.07, Heidi Zurbriggen, Switzerland, 1:25.07; 4, Hilary Lindh, United States, 1:25.30; 5, Isolde Kostner, Italy, 1:25.32; 6, Regina Haeusl, Germany, 1:25.71; 7, Katharina Gutensohn, Germany, 1:25.81; 8, Barbara Merlin, Italy, 1:25.89; 9, Regine Cavagnoud, France, 1:26.01; 10, Pernilla Wiberg, Sweden, 1:26.18.

Leading results Sunday of the women's World cup Slalom in Laax, Switzerland: 1, Claudia Riegler, New Zealand (38.55-42.20) 1:20.75; 2, Lara Magoni, Italy, (38.97-41.85) 1:20.82; 3, (tie) Pernilla Wiberg, Sweden (38.86-41.97) 1:20.83, – Martina Accola, Switzerland (38.87-41.96) 1:20.83; 5, Elfi Eder, Austria (38.72-42.29) 1:21.01; 6, Sabine Egger, Austria (38.96-42.16) 1:21.12; 7, Trine Bakke, Norway (39.18-42.24) 1:21.42; 8, Deborah Compagnoni, Italy (39.33-42.20) 1:21.53; 9, Patricia Chauvet, France (38.85-42.73) 1:21.58; 10, Ylva Nowen, Sweden (39.67-42.04) 1:21.71

Combined Event: 1, Pernilla Wiberg, Sweden (1:26.18-1:20.83) 2 minutes, 47.01 seconds; 2, Hilde Gerg, Germany (1:26.29-1:22.15) 2:48.44; 3, Anita Wachter, Austria (1:27.29-1:22.21) 2:49.50; 4, Sibylle Brauner, Germany (1:27.60-1:23.23) 2:50.83; 5, Catherine Borghi, Switzerland (1:27.00-1:24.62) 2:51.62; 6, Morena Gallizio, Italy (1:28.47-1:24.68) 2:53.15; 7, Ingeborg Helen Marken, Norway (1:27.30-1:28.44) 2:55.74; 8, Trude Gimle, Norway (1:28.48-1:27.72) 2:56.20; 9, Maria Kvopkova, Slovakia (1:31.38-1:30.95) 3:02.33; 10, Marie Joelle Clement, Canada (1:28.67-1:33.88) 3:02.55.

THE WEEK AHEAD

Monday, Feb. 3

TENNIS, Linz, Austria— women Austrian Open; Nagoya, Japan— women TVA Cup

Tuesday, Feb. 4

CYCLING, Marseille, France — Grand Prix d'ouverture
ATHLETICS, Stuttgart, Germany— International indoor meeting
CRICKET, East London, South Africa— South Africa vs. India, triangular series (day/night)
SWIMMING, Imperia, Italy— FINA World Cup event through Feb. 5
TENNIS, Beijing, China— China vs. Uzbekistan, Davis Cup Asia/Oceania zone, group 1, first round, through Feb. 6

Wednesday, Feb. 5

SOCCER, Palermo, Sicily— European Super Cup, second leg Juventus vs. Paris St Germain
CRICKET, Alice, South Africa — Eastern Cape Invitation XI vs. Zimbabwe
CYCLING, Besseges, France — Etoile de Besseges through Feb. 9
ATHLETICS, Madrid, Spain— International meeting

Thursday, Feb. 6

CRICKET, Wellington, New Zealand — Second Test New Zealand vs. England, through Feb. 10
GOLF, Johannesburg — men, South African Open, through Feb. 9; Kooyonga, Australia— Kooyonga Open through Feb. 9; La Jolla, California— LaJolla Invitational through Feb. 9

Friday, Feb. 7

TENNIS, various sites— Davis Cup, through Feb. 9, World Group, first round; Euro/African zone group 1, first round; American zone group 1, first round; Asia/Oceania zone group 1, first round; Group 2, first round;
CRICKET, India vs. Zimbabwe, triangular series, (day/night)
ATHLETICS, New York— Millrose Games indoor meeting

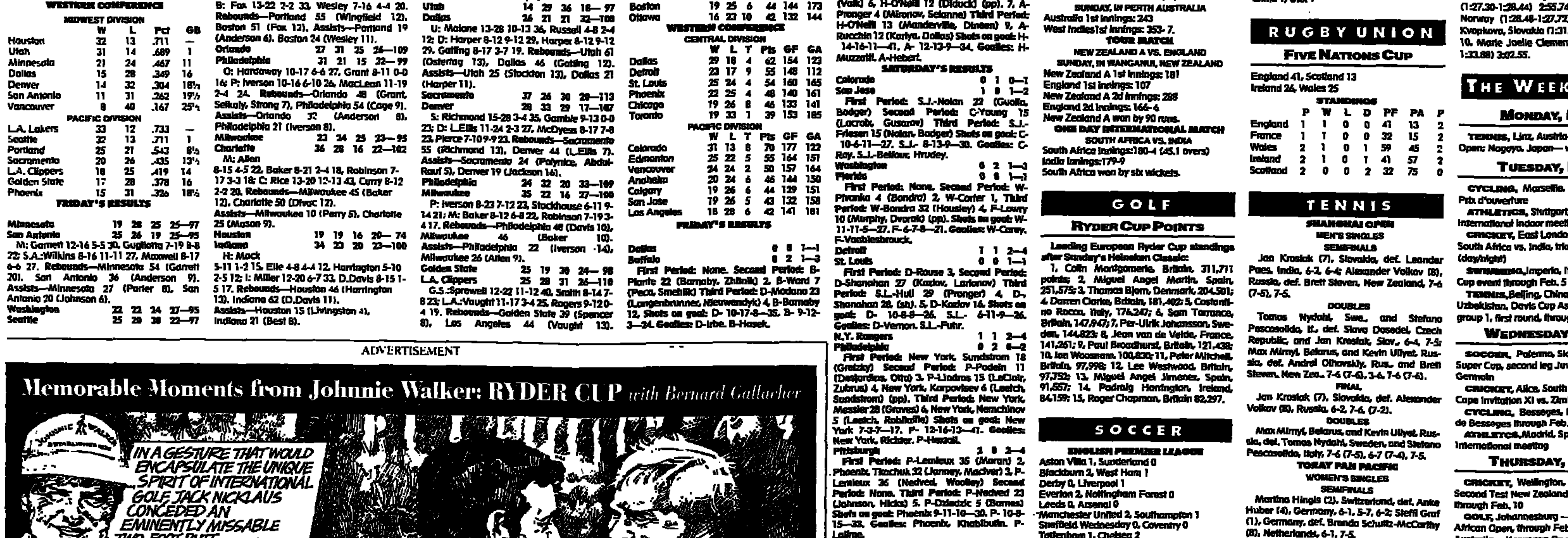
Saturday, Feb. 8

SWIMMING, Paris— FINA World Cup event through Feb. 9

Sunday, Feb. 9

CRICKET, Benoni, South Africa— India vs. Zimbabwe, triangular series
ATHLETICS, Albufeira, Portugal— IAAF World Cross Challenge

ADVERTISEMENT



SPORTS

NBA Missed Out on Serbian Star

By Ian Thomsen
International Herald Tribune

LEON, Spain — The NBA got this one wrong. In two months with the Portland Trail Blazers, Aleksandar Djordjevic appeared in eight games and accomplished nothing. Since quitting the NBA he has played 13 games in Spain for FC Barcelona and has won seven of them — seven — with shots in the last minute, sometimes the last seconds.

Djordjevic, a 29-year-old Serb, is the world's best non-American point guard. On Saturday night he was typically amazing in Barcelona's double-overtime, 115-109 victory against Real Madrid in a quarterfinal of the King's Cup, the mid-season festival of Spanish basketball.

In the last two minutes of regulation time, Djordjevic scored six points and assisted another basket before Madrid, the hated rivals, forced overtime on a miraculous rebound put-back by the Americans Joe Arlauckas. With nine seconds left in the first overtime period Djordjevic scored to force a second extra period.

Then, in the last 100 seconds he scored 71 points, including the tie-breaking three-pointer with 12 seconds to go that everyone in Spain knew he was going to take and which no one in the world could have prevented. As the ball left his hand he was smiling.

American coaches can damn European basketball all they want, but when Djordjevic is dribbling away the last seconds with the understanding that a miss could give his meanest rivals a free shot to win one of the biggest games of the year, and then smiling before the shot reaches its height — that's the kind of confidence that made the NBA famous.

"For my whole month in Barcelona, almost every game we have won like that," he said after scoring more than half of his 30 points in the last two minutes of regulation and the overtimes. "Hopefully now we're going to start winning some games before the last seconds."

Djordjevic tried out with the Boston Celtics in 1990, near the end of Larry Bird's career. Less than two years later, he again piqued NBA interest when he hit a sensational three-pointer in the final seconds to win the European Championship with Partizan Belgrade.

"That felt so good, like a dream coming true," he said. "When I was a boy, I used to be in the stands with the scarf cheering for Partizan. This is the only European championship Partizan has won and I was captain of the team, the leader. All of those years I was practicing by myself as a kid saying, 3 seconds left, 2 seconds, 1; now, when I am grown up and it really matters, the ball goes in."

THE SAME story has been told by countless NBA champions, and it indicates that international borders are irrelevant when a player like Djordjevic comes along.

He and fellow Partizan guard Predrag Danilovic moved into Italian basketball as war broke out in Yugoslavia. Danilovic was clearly preparing himself to join the NBA and is now scoring consistently with the Miami Heat. Djordjevic, however, spurned several opportunities until last summer in Atlanta, when he kept Yugoslavia close for three-quarters of the Olympic final against the host-NBA Americans. "I was so fired up," Djordjevic said.

Now, he wonders whether he should have tried to negotiate with the Atlanta Hawks and coach Lenny Wilkens, who was head coach of the Dream Team and expressed interest in Djordjevic. Instead, Djordjevic accepted Portland's offer for the NBA minimum salary of $247,000. (Djordjevic's contract with Barcelona is reportedly worth $3.3 million for two and a half seasons).

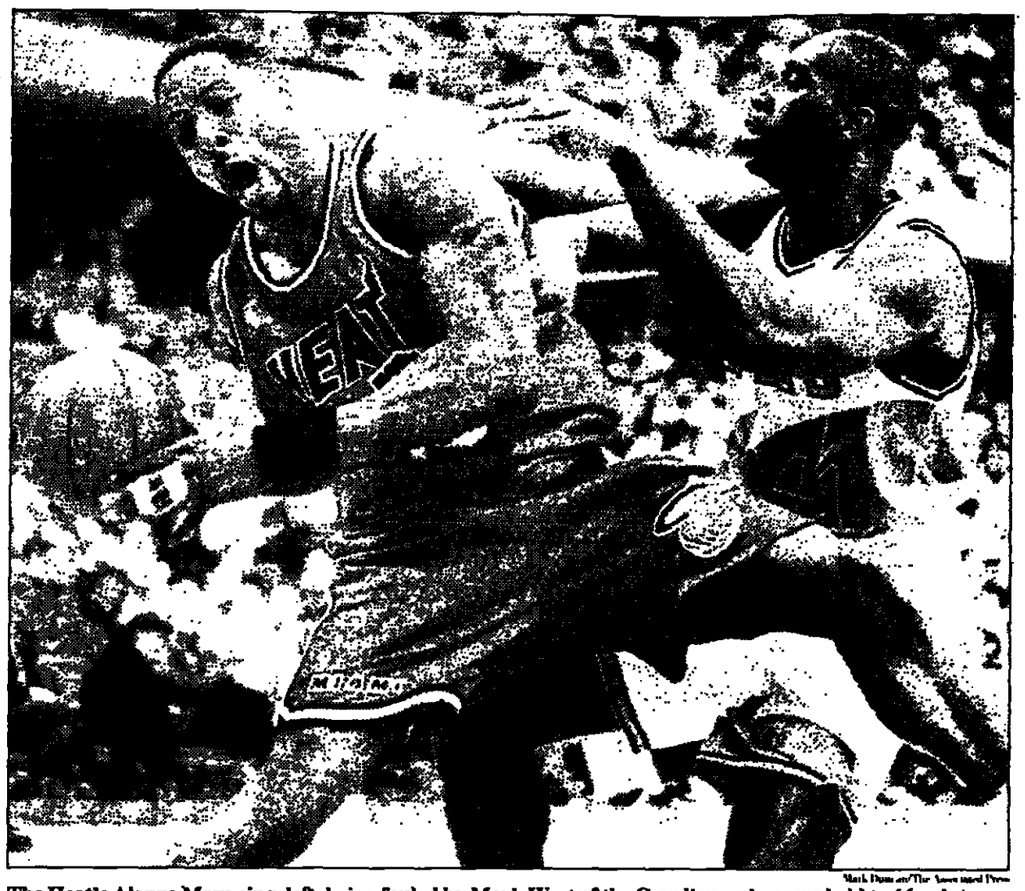
Djordjevic understood that he would be Portland's back-up point guard, because he believed he could do enough in 15 minutes per game to eventually command a starting position in the NBA. As it turned out, the Trail Blazers coach, P.J. Carlesimo, branded him a defensive liability and limited Djordjevic's NBA career to 61 minutes.

"Obviously, the coach had a lot of problems," Djordjevic said. "He doesn't communicate with the players. It's not like figures on a chessboard, where you move the pieces saying the horse can do that, the queen, the king.

"Now I'm feeling a little bit cheated. The people were so nice, but the coaches didn't talk to me. You would think they would talk to the players, especially the guy who is the point guard, who comes from another culture."

Obviously, each NBA coach knows his team best. But it's just as obvious, watching Djordjevic this weekend and last summer in Atlanta, that he flourishes under pressures that would undo many NBA regulars. He said he is content now to be one of those great players that Americans will never know.

"There are a lot of players on the high level of Europe who can easily play in the NBA — easily," he said. "I'm not underestimating the NBA level. I am saying that you can find players on the same level in Europe. They just have to go to the right NBA team at the right spot and the right age. Me, I am 29. I just want to play."



Mark Duncan/The Associated Press

The Heat's Alonzo Mourning, left, being fouled by Mark West of the Cavaliers, who were held to 66 points.

Clippers Hanging Tough, for a Change

Compiled by Our Staff From Dispatches

LOS ANGELES — For the last three seasons, the Los Angeles Clippers have been all but eliminated from the playoffs by the All-Star break.

Not this year.

The Clippers won Saturday night for the fourth time in their last five games, beating the Golden State Warriors, 110-98.

The Clippers hold a one-game lead over the Warriors in the race for the eighth and final Western Conference playoff berth and have won two of three games from Golden State this season.

The Clippers shot a season-high 70.6 percent in the third quarter and led, 84-74, going into the fourth. Loy Vaught had 25 points and 13 rebounds and made 11 of 17 shots as Los Angeles shot a season-high 60 percent for the game.

Heat 71, Cavaliers 66 Alonzo Mourning scored a modest 15 points to lead Miami to victory in Cleveland.

The Cavs, who have been held to the two lowest totals in franchise history in their last two games, have lost 10 of their last 13. They were held to 65 points last week against New York.

The Heat, the Atlantic Division leaders, set a franchise record with their 21st road victory of the season.

Mavericks 100, Jazz 97 In Dallas, Derek Harper had season highs of 29 points and 11 assists and Chris Gatling added 19 points and 12 rebounds as the Mavericks rallied from an 11-point deficit to snap Utah's five-game winning streak.

Pistons 90, Nets 75 Grant Hill scored 22 points and had his fourth triple-double of the season as visiting Detroit extended its winning streak to five games. Hill added 11 rebounds and 11 assists to give him the 15th trey of his career and the second in as many weeks.

Kings 113, Nuggets 107 In Denver, Sacramento's Mitch Richmond had 35 points and a career-high 13 rebounds before fouling out.

Kevin Gamble scored 23 points off the bench and a former Nugget, Mahmoud Abdul-Rauf, added 20 for the Kings.

76ers 109, Bucks 100 In Milwaukee, Don MacLean scored seven of his season-high 29 points in the final three minutes as Philadelphia beat the slumping Bucks.

Rookie sensation Allen Iverson had 23 points and a season-high 14 assists, and Jerry Stackhouse added 21 points for the 76ers, who have gone 3-3 since ending a 13-game losing streak.

Raptors 110, Suns 86 Walt Williams scored 33 points as the Raptors cruised to victory over Phoenix. Wesley Person scored 23 points for the Suns, who fell to 4-21 on the road. *(Reuters, LAT)*

NBA ROUNDUP

Wake Forest's Duncan Takes Charge

Deacons' Dreams of Title Rest on Shoulders of Its Senior Star

By Jennifer Frey
Washington Post Service

Tim Duncan has never lost to the same basketball team two times in a row. He won't allow it, won't tolerate it, won't accept it. In his four years at Wake Forest, if the Demon Deacons lost to a team, they have always won the second time around.

So when Maryland took Wake Forest apart with some brilliant basketball in the first half of Saturday's game, Duncan knew things had to change. He had already lost to Maryland this season — on a buzzer-beater Jan. 19. He was not going to let it happen again.

"I think I was really aggressive in the second half," Duncan said. "I had to get things clicking. I knew it all started with me."

These are the most important statistics from Saturday's game: Duncan scored four points in the first half and 25 in the second. That's one fewer point after halftime than the entire Maryland team. Keith Booth scored 16 points in the first half and six with Duncan all over him in the second — and none of those six points came in the last 12½ minutes of the game. Result: Wake Forest won the rematch, 74-69.

"Let's just say, Tim takes things seriously," said Ricky Lowery, Duncan's brother-in-law. "He doesn't like anyone to get the best of him."

There was something entirely different about Duncan when he took the court after halftime with the Terrapins leading, 43-31. Duncan looked almost like a zombie in the first half. He looked like a man possessed in the second.

In the first 4½ minutes of the second half, Duncan scored nine points and Maryland's lead was cut to two. Two of those points came on a jaw-dropping spin. The Terrapins scored once — on two free throws by Booth — over that same span.

"Our team wasn't playing very well — I wasn't playing very well," Duncan said. "I needed to help our team."

No one on Wake Forest will dispute that the team's 18-1 record, its No. 2 national ranking and its national title hopes rest squarely on the shoulders of one player, although the players occasionally forget. There was a point in the second half, with Maryland up two and about seven minutes left, when the Wake Forest coach, Dave Odom, was standing on the sideline pointing frantically at Duncan. On the past three Deacon possessions, Duncan had not touched the ball. Odom found that unacceptable — actually, he found it ludicrous.

"We have a plethora of offenses that go to him," Odom said. "Pick one, please!"

On the next play, Duncan made a turnaround jumper in the lane. On the next, he made a hook shot. And on the next, he stepped back and let Ricky Peral shoot a three-pointer. Suddenly, Wake Forest had its first lead since the opening minutes of the game.

"All I want," Odom says, "is for us to explore our very best offense first."

And that means Duncan. The Maryland coach, Gary Williams, called Duncan perhaps the best college big man since Patrick Ewing. There is no question that the NBA would have loved to have him in last year's draft, after his junior season. He didn't want to go. Odom said then that he thought Duncan, at 20, really didn't want to be spending his life with a bunch of 30-year-old teammates living out of hotels. He wanted to be a kid one more year. And his relatives say Odom summed up Duncan's decision to a T.

"This is his 'lime time,'" said Lowery, who met his wife, Tim's sister Cheryl, in St. Croix, where both families lived. "That's what we call it in St. Croix — 'lime time.' He's just chilling. The rest will happen soon enough."

Oddly enough, the player who took Maryland apart in the second half really did look like a big kid having fun in the locker room later.

Long after he and all his teammates had finished dressing, Duncan sat on a corner bench, his head on his sister Tricia's shoulder, whispering in her ear. There was no talk of the game, no talk of basketball. With Tim, there never is. Tricia speaks with her "little" brother by phone regularly, and he never mentions last night's game or the game coming up or anything like that. It's not his entire life. Never has been.

"We talk about his haircuts, I broke a nail, school," said Tricia, who lives in Baltimore and works at Johns Hopkins University. "He never talks about the NBA, he never talks about any of it. I only see all that in him when he's on the basketball court. He's really focused, really driven."

Well, perhaps there is one more place where Tim Duncan gets that maniacal drive, that refusal to lose. It's when he plays video games against his 12-year-old nephew, Shane, son of Rick and Cheryl Lowery. Duncan acts as if he's 12, too, and refuses to let Shane win just because Shane is 12.

"He's a big kid, all right," Lowery said, glancing over at Tim. "But, oooooh, he knows when to take over, doesn't he?"

■ Kansas Holds Off Nebraska

Kansas, unbeaten and ranked No. 1, survived a late-second miss in regulation, then Raef LaFrentz took over in overtime against unranked Nebraska, The Associated Press reported.

LaFrentz scored 11 of his 20 points in the extra session. Kansas (22-0, 8-0 Big 12) won its 40th straight home game.

Tied at 60, Nebraska (11-9, 3-5 Big 12) held the ball for most of the last minute for a final shot in regulation. But Tyronne Lue, who led the Cornhuskers with 26 points, missed a long 3-pointer just before the buzzer.

No. 3 Kentucky 82, Georgia 57 Georgia (15-5, 4-4 Southeastern Conference) made its first seven shots in taking a 17-7 lead in the first 5½ minutes. Then Kentucky (20-2, 8-1) turned up the defensive pressure and finished with a comfortable victory.

No. 13 New Mexico 87, No. 4 Utah 71 New Mexico (16-3, 5-2 Western Athletic Conference) dismantled one of the nation's top defenses to extend its winning streak at home to 22 games.

Richter Shines in the Net, Saving the Rangers

Compiled by Our Staff From Dispatches

The New York Rangers were outplayed for long stretches by a younger, bigger, much more physical team and were outshot 41 to 17, but they still won by two goals.

The Rangers had Mike Richter in the net. That is just about all you need to know about their 4-2 victory over the Flyers in Philadelphia on Saturday.

Richter, who made 39 saves, was nothing short of phenomenal, especially when the Rangers were outshot 16-3 in the second period. Colin Campbell, the Rangers' coach, said the ice seemed "tilted" to one side during that period.

Eric Lindros was everywhere, scoring the goal that gave the Flyers a 2-1 lead, and menacing just about everyone and everything in sight.

Still, the Rangers came out of the second tied, 2-2, thanks to Alexander Karpovtsev's power-play goal with 21.1 seconds left in the period.

But the real thanks belonged to Richter. "They were pretty good in the second," said Mark Messier, who lifted the tie-breaking goal over Ron Hextall, the Flyers' goaltender, while skating backward at 2:54 in the third period.

"They were forechecking hard, and they got us on our heels with a couple of power plays. They really had it going. But Richter was incredible. He kept us in the game when they really took it to us in the second period."

The Rangers are basically a two-line team. The Flyers were throwing three strong lines at them all afternoon. The game showed that the Rangers simply do not match up.

Except in goal. And, fortunately for the Rangers, that is often the most important matchup.

Sharks 2, Avalanche 1 Kelly Hrudey stepped into the goal in the third period for the injured Ed Belfour as the Pacific Division's last-place San Jose edged first-place Colorado.

Jeff Friesen scored the game-winner 68 seconds into the third period. His 15th goal of the season came off a scramble in front of the Colorado net when he poked a loose puck past Patrick Roy, who lost to San Jose for the first time in his career.

Belfour hurt his knee with five minutes left in the second period when he tried to deflect a shot by Rene Corbet that hit the left post. Belfour completed the period but did not return. Hrudey stopped 11 shots in the third period.

Penguins 4, Coyotes 1 Mario Lemieux scored twice in Pittsburgh and Petr Nedved had a goal and an assist to lead the Penguins to victory over Phoenix.

Patrick Lalime made 29 saves for the Penguins, who snapped a two-game home losing streak.

Red Wings 4, Blues 1 Brendan Shanahan scored his 27th and 28th goals as visiting Detroit beat St. Louis in the first meeting between the Central Division rivals this season.

The win was only the second in seven games for the Red Wings, while the loss was just the second in eight games for the Blues.

Bruins 3, Lightning 0 At Tampa Bay, Ray Bourque had a goal and two assists to become Boston's all-time points leader and Rob Tallas made 25 saves for in first career shutout.

The goal gave Bourque 1,340 points, breaking a tie with John Bucyk. He has had goals in four straight games after scoring six times in his first 30 games.

Capitals 3, Panthers 1 Peter Bondra had a goal and an assist and Anson Carter scored his first NHL goal for Washington's victory in Miami.

Senators 2, Maple Leafs 1 Shawn McEachern scored one minute into the third period as Ottawa won an encounter between the lowest-ranking teams in each conference. Tie Domi scored the lone tally for Toronto, which has dropped four straight at home.

Flames 3, Canucks 0 Trevor Kidd made 31 saves for his third shutout of the season and Aaron Gavey scored a pair of power-play goals as Calgary beat visiting Vancouver.

Blackhawks 3, Kings 2 Ulf Dahlen and Denis Savard each recorded a goal and an assist for the Blackhawks as Chicago won in the Los Angeles Forum.

Canadiens 4, Devils 4 In Montreal, Steve Sullivan scored on a partial breakaway with 9:12 left in the third period as New Jersey rallied for a tie.

Dave Andreychuk scored twice for New Jersey, which has tied three straight games. *(NYT, Reuters)*

THIS WEEK ON EUROSPORT

Luc Alphand will be among the favourites to become the new Downhill World Champion: can he overcome the challenge of the reigning champion, Patrick Ortlieb?

Alpine Skiing:

3 - 6 February, LIVE, The World Championships, Sestriere
This week sees the men's Downhill and Super G while the women tackle the Slalom and Giant Slalom

Football:

6 February, PSV Eindhoven v Inter Milan
Two of the giants of the European games meet in the Netherlands

Extreme Sports:

3 - 9 February, The Winter X-Games, Snow Mountain, USA
The world's best extreme athletes meet in California for the first ever Winter X-Games

Biathlon:

4 - 9 February, The World Championships, Slovakia
Can Germany hold onto the Team title that they won in Ruhpolding



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BASKETBALL Star the NBA Missed p. 19 **CRICKET** Lara Finds His Form p. 18 **GOLF** Couples Falls Short p. 18

TOMORROW STYLE

Herald International Tribune
SPORTS

WORLD ROUNDUP

On Day of Comebacks, Sampdoria Shocks Milan

Compiled by Our Staff From Dispatches

Sampdoria climbed to second in the Italian Serie A with an unlikely comeback victory in Milan on Sunday.

Sampdoria played with 10 men for most of the game, fell behind to two goals by George Weah and still won, 3-2.

Roberto Mancini gave the Genoese team the lead in the first minute. But goalkeeper Fabrizio Ferron was sent off

SOCCER ROUNDUP

in the 22d minute and Weah scored twice to put AC Milan ahead.

But late goals from the Yugoslav Sinisa Mihajlovic and the second-half substitute Marco Carparelli gave Sampdoria victory.

Sampdoria's last victory at Milan was in 1990, a year when they went on to take their only Italian title.

Milan missed a host of chances. An error by former Sampdoria goalkeeper Angelo Pagotti, who miscontrolled a back pass, left Mancini with an open goal in the first minute.

Ferron was shown the red card for hauling down Weah just outside the penalty area.

Replacement Matteo Sereni could not stop Weah's 37th-minute equalizer, a firm shot from close range.

It was the Liberian's eighth goal of the season but his first in the league since last October.

Weah put Milan in front in the 57th minute with a moment of brilliance. He picked the ball up 35 meters from goal and unleashed a ferocious shot into the top corner.

Mihajlovic curled a free kick beyond Pagotto from wide on the right in the 74th minute, and in the 79th minute Carparelli volleyed in after a miscued clearance by Alessandro Costacurta.

In injury time Savicevic rounded Sereni and rolled his ball toward the empty net, but Oumar Dieng, whose only other match this season ended in a victory over Milan, cleared off the line.

Juventus, the league leader, was also reduced to 10 men as it tied 0-0 at lowly Cagliari. Uruguayan defender Paolo Montero was sent off in the 34th minute for a violent tackle.

SPAIN Real Madrid stretched their lead over Barcelona on Sunday after twice coming from behind to beat Deportivo Coruna, 3-2.

Barcelona coach Bobby Robson was was summoned to meet club president Jose Luis Nunez after seeing his side throw away a 2-0 lead at home for the second time in less than a month in the 2-2 draw with Oviedo.

Juan Pizzi had put Barcelona ahead shortly after coming on as substitute early in the second half, before Brazilian striker Ronaldo increased the lead with his 19th goal of the season.

But Oviedo's Oli Alvarez pulled one back in the 75th minute and scored the equaliser on the stroke of full time.

Deportivo took an early lead over Real Madrid when with a goal by Brazilian Flavio Conceicao.

Moments Italian defender Christian Panucci scored his first goal for Real.

Deportivo regained the lead when Frenchman Corentin Martins blasted home a loose ball after Bodo Illgner, Real's keeper, had pushed a shot onto the post.

Again the lead lasted just a few moments. Fernando Hierroo curl in the equalizer from a free-kick.

Brazilian international Roberto Carlos set up the winner, crossing to Raul Gonzalez who passed back to Croat Davor Suker who scored.

Real Sociedad took fourth ahead of Deportivo, beating Sevilla 3-2 after conceding two goals in the first six minutes.

ENGLAND Alan Shearer inspired the day's most spectacular comeback. He scored three goals in the last 14 minutes to give Newcastle United a 4-3 home victory over Leicester City in the Premier League.

Robbie Elliot gave Newcastle the lead in the third minute. In the second, half Leicester took control with goals by Matt Elliott, Steve Claridge and Emile Heskey.

Shearer cut the lead with a free kick in the 77th minute. Six minutes later he shot through a sea of legs to level the score, and two minutes into injury time he snatched his hat-trick and victory when he tucked away Lee Clarke's cross.

On Saturday, Eric Cantona gave champion Manchester United a hard-fought 2-1 victory over Southampton and kept it top of the premier league.

Cantona slid in at the far post to meet a cross from Ryan Giggs just as the match appeared to be heading for a draw.

Liverpool stayed second with a 1-0 victory at Derby. Stan Collymore score the inning goal in the 75th minute.

FRANCE Ali Benarbia scored twice in less than four minutes as 10-man Monaco twice came from behind to draw 3-3 at Lyon on Sunday and stay seven points clear at the top of the league.

Monaco captain Franck Dumas was sent off in the 55th minute with the score at 1-1. Six minutes later Christophe Cocard put Lyon ahead, racing in unmarked to crash in a shot from close range. Bernabia equalized with a crisp volley in the 67th minute but, two minutes later, Ludovic Giuly put Lyon ahead again. Benarbia then equalized again with a deflected shot to end a burst of four goals in 10 minutes.

Bastia beat Strasbourg 3-1 at home to draw level with second-place Paris St. Germain which was held 1-1 by Cannes at the Parc des Princes on Saturday.



AFP

Goran Ivanisevic on his way to victory over Greg Rusedski.



Usen Humphreys/The Associated Press

Scott Taylor, left, of Leicester City trying Sunday to hold back the Newcastle United star Fastino Asprilla.

Injury Foils Graf

TENNIS Steffi Graf pulled out of the "dream final" of the Pan Pacific indoor tournament in Tokyo Sunday because of an injured knee.

Graf, the world's No. 1, withdrew an hour before the start of her much-anticipated match against Martina Hingis of Switzerland, the world No. 2.

Graf said the injury, which she first suffered six months ago, flared up during her semi-final victory over Brenda Schultz-McCarthy on Saturday.

Officials said Graf's injury was a "severely aggravated patella tendon at the bottom front of the left kneecap".

It was Hingis's third straight title this year. *(Reuters)*

• Top-seeded Goran Ivanisevic of Croatia beat Greg Rusedski of Britain 7-6 (7-4), 4-6, 7-6 (8-6) Sunday to win the $400,000 Croatian Indoors tournament, an event he runs with two partners.

In a battle of two powerful servers, both players double faulted when they held match points — Ivanisevic at 6-5 in the tie-breaker and Rusedski at 7-6. *(Reuters)*

Players Fear Umpires

BASEBALL Players and umpires are scheduled to hold a so-called summit meeting with Major League Baseball officials Tuesday, but players are reluctant to attend for fear of retaliation by the umpires, people familiar with the planning of the meeting said.

"Players feel there will be some kind of repercussions if they say anything in the meeting, so none of them want to attend," said Jerry Crawford, president of the Umpires Association. Only one player, Brian McRae of the Cubs, has said he will definitely attend. *(NYT)*

Swiss Disqualified

BOBSLEIGH Switzerland swept the top three places in the world four-man bobsleigh championship in St Moritz, Sunday but was then disqualified for using illegal equipment. *(Reuters)*

South Africa Dominates

CRICKET South Africa maintained its 100 percent record in the triangular series with a six wicket victory over India in Port Elizabeth Sunday. South Africa held India to 179 for nine wickets and then reached the target with 4.5 overs to go. *(Reuters)*

World Record Falls

ATHLETICS Morocco's Hicham El Guerrouj set a 1,500 metres indoor world record of three minutes 31.18 seconds in Stuttgart on Sunday. Guerrouj broke the record of 3:34.16 set by Noureddine Morceli in 1991. *(Reuters)*

A Harsh Penalty

SOCCER Turkish club Besiktas has applied to an Istanbul court for a referee to be jailed for three years for denying the club a crucial penalty in a goalless draw against lowly Vanspor. *(Reuters)*

Sestriere Gears Up for World Downhill Skiing

By Christopher Clarey
International Herald Tribune

SESTRIERE, Italy — This picturesque corner of Piedmont has been a crossroads for a great deal longer than Alberto Tomba has been winning slalom races. Hannibal supposedly passed through this region with his elephants. Pepin the Short and his taller son Charlemagne chose less exotic means of transport, as did another expansion-minded Frenchman: Napoleon.

But not everybody with power and influence has glanced haughtily around and moved on, and that is the primary reason why Tomba, Luc Alphand, Katja Seizinger, Pernilla Wiberg and all the planet's other top skiers with intact knees are gathered here for the 25th World Alpine Championships.

The resort of Sestriere was founded on a rather lonely plateau in the 1930s by the Italian industrialist family, the Agnellis, owners of Fiat and accumulators of wealth. Sixty years later, the Agnellis remain deeply involved with the resort, and it is no coincidence that the scion of the family, Giovanni Alberto, is the president of the championship's organizing committee.

It is also no coincidence that Tomba, who personifies ski racing for Italians and much of the rest of the world, decided to postpone his retirement for at least one more year. The Agnellis were well aware that without Tomba this event would suffer and reportedly made it worth his while to put his acting career on hold. Though Tomba is hardly assured of a gold medal in light of his current form, Sestriere was assured of being the center of attention in its sports-addicted nation as soon as Tomba walked out carrying the Italian flag for Sunday night's opening ceremony (unlike Tomba, Prime Minister Romano Prodi was greeted with jeers and whistles).

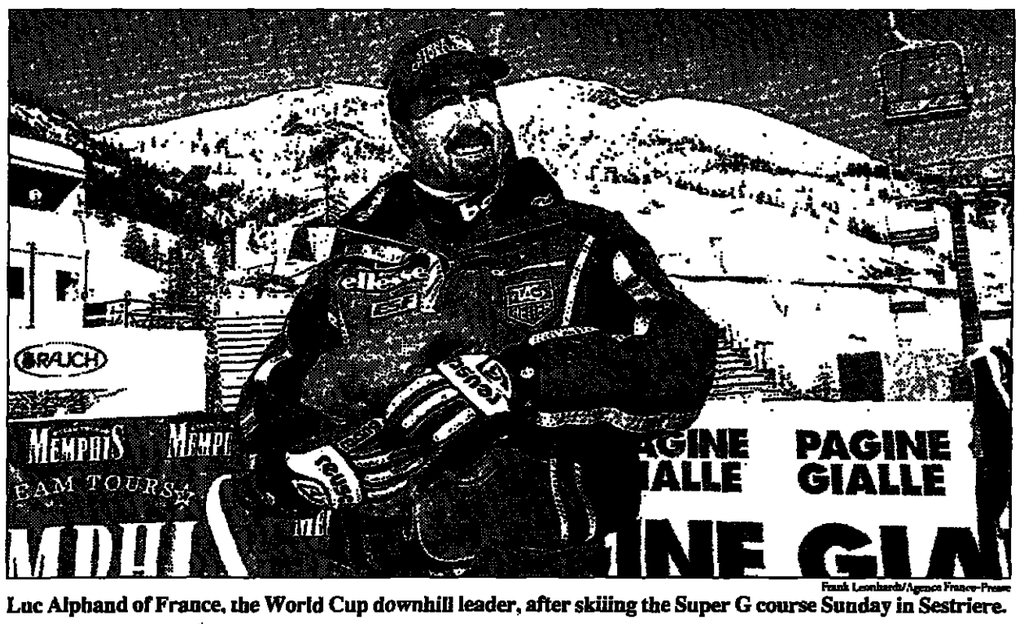
The success of these championships, which begin with the men's Super G on Monday and end with the men's slalom on Feb. 15, is important for ski racing. In an increasingly crowded global sports marketplace, the World Cup circuit is hardly gaining ground outside its traditional fief in Europe, and with the burgeoning popularity of snowboarding and other less conventional disciplines, classic alpine skiing is in danger of remaining a minor spectator sport everywhere except at the Olympics.

The desire for new markets explains why the International Ski Federation awarded the last two world championships to Morioka, Japan, in 1993 and Sierra Nevada, Spain, in 1995. But Morioka was plagued by weather problems, and Sierra Nevada had so little snow that the world championships had to be postponed an entire year at an estimated cost of $1.2 million. When they were finally held last February, there was grumbling from skiers and coaches about the organization and conditions.

But with Sestriere, the World Championships return to skiing's traditional base, and with the resort's long history as a World Cup site there is reason for optimism. Snow conditions are excellent, and after six days of relatively clear skies, the slopes are in fine shape. They will be used day and night. In December 1994, Sestriere became the first resort to hold a World Cup race at night on a lighted course. All four slalom events are scheduled to be held after dusk, including the slalom portions of the men's and women's combined events.

That allows for better television exposure and allows the combined event to be held on a single day for the first time in a major championship. Formerly, the combined downhill was often held several days before the combined slalom, making the event hard to follow.

It is a good move. Now it is up to the Tombas, Alphands, Wibergs and Seizingers to make their moves with one year remaining before the Winter Olympics in Nagano.



Frank Leonhardt/Agence France-Presse

Luc Alphand of France, the World Cup downhill leader, after skiing the Super G course Sunday in Sestriere.

Riegler Wins A 3d Slalom, Foiling Wiberg

Reuters

LAAX, Switzerland — Claudia Riegler of New Zealand claimed her third World Cup slalom victory of the season Sunday to keep Sweden's Pernilla Wiberg from clinching the slalom title.

Riegler, winner of the first two slaloms of the season, returned to the top of the podium after twisting her way down the sun-bathed Barguns course in a two-run combined time of 1 minute, 20.75 seconds.

Lara Magoni skied the day's fastest second run to claim second place in 1:20.82

Wiberg, the winner of three slaloms this season, would have clinched the slalom title if she had come second but finished 0.01 seconds behind Magoni and in a tie for third with Switzerland's Martina Accola.

Wiberg, however, extended her lead in the overall standings. She has 1,425 points and a commanding 480-point lead over her nearest rival, reigning champion Katja Seizinger of Germany.

Seizinger was told by German team doctors not to race in the slalom after suffering a mild concussion in a fall in Saturday's downhill. Doctors have ordered her to take three days' rest.

Warwara Zelenskaja of Russia won Saturday's downhill race. The victory was her first of the season.

For the second straight weekend, Switzerland's Heidi Zurbriggen was forced to share her place on the podium. She tied for second with Austria's Renate Goetschl, both skiers clocking 1:25.07.



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Spain◇	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0800-89-0011
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